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THE PRODUCER
THE NATIONAL LIVE STOCK MONTHLY

Volume XIV DENVER, COLORADO, FEBRUARY, 1933 Number 9

The Ogden Convention

REPRESENTATIVES FROM THIRTEEN states had gathered at Ogden, Utah, for the thirty-sixth annual convention of the American National Live Stock Association, January 12-14, 1933. Although numerically not measuring up to some of the meetings of the past—an inescapable consequence of the straits through which the industry is passing—the sessions throughout were marked by a spirit of dogged determination, and hopefulness in the face of all discouragements, that has never been surpassed, and that cannot but serve as an inspiration for those charged with the responsibility of carrying on the affairs of the organization.

The subject receiving the lion's share of attention, both from the platform and in informal discussion among the membership, was perhaps that of transportation in its various phases. How to handle the matter of the trucks, the financial muddle in which the railroads are finding themselves, their continued demands for higher freight charges, the different angles of the reconsignment case now before the Interstate Commerce Commission, and allied problems, were reviewed by both the president and the traffic counsel, and aroused the keenest interest. The tariff, forest fees, and credit facilities, never long absent from stockmen's deliberations, were again to the fore, and those comparative newcomers in the field, oleomargarine and tuberculosis eradication, were given a prominent place on the program. The intricacies of the international meat trade were ably set forth by a spokesman for the packers, and questions relating to domestic marketing were treated by experts in that line. All the important issues of the day, of concern to cattle-raisers, were dealt with in appropriate resolutions.

The proceedings, in outline, follow. Continuing the precedent set last year, the addresses will not be printed in book form. Instead, we intend to publish them in full in this and the subsequent number of THE PRODUCER.

The Program

Preceding the formal opening of the convention, in the forenoon of January 12 there was a meeting of the Executive Committee, at which Secretary F. E. Mollin, in his capacity of treasurer, accounted for the financial status of the association and THE PRODUCER, and Charles E. Blaine presented his report as traffic counsel.

In the afternoon, the first regular session was called to order by President Charles E. Collins. After an invocation by Rev. John E. Carver, the stockmen were welcomed by Mayor Ora Bundy, of Ogden, and J. M. Macfarlane, president of the Utah Cattle and Horse Growers' Association. The response was given by Vice-President George Russell, Jr.

President Collins, in his annual address, voiced the hope that the level to which commodity prices had sunk in 1932 would prove to be the lowest for many years to come, and that the near future would witness a swing-back of the pendulum, even if slow and faltering. He dealt in detail with such subjects as the tariff, transportation, the reconsignment privilege, accreditation of range herds, oleomargarine legislation, live-stock financing, grazing fees on national forests, the work of the Biological Survey, stock-yard and commission charges, co-operative marketing, government beef-grading, and collaboration among the different branches of the industry; concluding with a plea for whole-hearted support of the association, both moral and financial, to the end that it might meet the problems certain to arise during the coming year as well prepared as their importance demanded. (For the full text of Mr. Collins' address see pages 6-9.)

Some of the questions which would require attention in the near future were pointed out in the report of Secretary F. E. Mollin, who followed. Chief among these was the general revision of tariff rates which he thought would be taken up at a special session of Congress this spring. It was essential that agriculture here present a united front, so as not to

lose what had been gained in 1930. He touched upon the activities of the association in connection with oleomargarine legislation, accreditation of range cattle, and hearings under the Packers and Stock Yards Act, and mentioned the part played by the officers in the establishment of regional agricultural credit corporations, which had been instrumental in preventing serious liquidation of breeding herds. (Mr. Mollin's report will be found on pages 9-11.)

At the conclusion of the secretary's report, Earl S. Haines, executive vice-president of the National Cottonseed Products Association, Memphis, Tennessee, discussed the subject of oleomargarine under the title, "United, the South and West Can Solve Their Common Problems." Mr. Haines, who formerly was statistician with the Federal Trade Commission, declared that discriminatory legislation, with almost prohibitive taxes and license fees, had practically destroyed the oleomargarine industry in the United States. Supported by a powerful lobby at Washington, the dairy interests were not only endeavoring to profit at the expense of producers of beef fats in the West and cottonseed oil in the South, but were working a great hardship on millions of people whose reduced incomes did not permit them to purchase butter. Margarine and butter, he contended, were not direct competitors, selling on different price-levels. There should be a production of not less than a billion pounds of oleomargarine a year in this country, made entirely of home-produced animal and vegetable fats and oils.

The second day's session was opened by Charles E. Blaine, traffic counsel of the association, who spoke on "Transportation Problems and Their Solution." Everything in their power was being done by the railroads to drive the motor truck from our highways, he said. These efforts should be resisted by the stockmen, as the trucks offered the only real competition which the railroads had ever had. The deplorable financial condition of the railroads was not caused by the trucks, but was due to the general depression and the high rates which they maintained.

Herbert Chandler, Baker, Oregon, vice-president of the American Hereford Breeders' Association, talked briefly on the value of the American National Live Stock Association to the industry, especially in these trying times.

The title of the next speech was "Building a National Live-Stock Marketing Machine," given by C. N. Arnett, Denver, Colorado, vice-president of the National Live Stock Marketing Association. He traced the history of co-operative marketing, which, he said, had its root in the desire of the producer to gain more control over his product, cut down expenses of marketing, and shorten the route from producer to consumer. What was needed, in his opinion, was an amalgamated school of thought which would bring together all the dissenting factions in the industry.

In the discussion which followed Mr. Arnett's address, the importance of close co-operation among sellers was emphasized by John C. Burns, Fort Worth, Texas, and others.

Conditions on the Pacific coast were described by E. F. Forbes, Marysville, California, president of the California Cattlemen's Association and the Western Cattle Marketing Association, who said that the plan of selling cattle on the ranch, instead of through stock-yards, had enabled the people on the coast to control their market and maintain prices on a par with, or higher than, those in the East. Formerly California prices were based on the Chicago market less freight to the coast. Now prices were those at Chicago plus the freight.

"Accrediting Range Areas as Tuberculosis-Free" was the topic of J. Elmer Brock, Kaycee, Wyoming, president of the Wyoming Stock Growers' Association. Mr. Brock pointed out the vast difference in conditions between the close housing of the East and the all-year-round outdoor life of live stock in the West, making the latter much less susceptible to tuberculosis infection. Strict application of the accreditation rules to range cattle was, therefore, an unnecessary expense, besides involving a considerable amount of labor. Results just as definite and satisfactory as those obtained from tuberculin-testing could be secured by the method of tracing the occurrence of the disease through packing-house records, now being tried out by the Bureau of Animal Industry at some of the western markets.

The afternoon session of January 13 was opened by F. W. Beier, Jr., live-stock statistician of the Bureau of Agricultural Economics at Denver, Colorado, who presented a picture of "The Cattle Outlook," as seen through official eyes. Mr. Beier, fortified with a sheaf of statistics, predicted an increase in cattle numbers during the current year. Cattle are now being killed at a younger age than formerly, although averaging about the same weight, he said, which indicates the use of better blood and improvement in feeding methods.

W. W. Shoemaker, vice-president of Armour & Co., in charge of the operations of that firm in the Southern Hemisphere, under the title, "The International Meat Trade," surveyed the live-stock and meat situation in foreign countries, as it affects the United States. Through the growing efforts of foreign nations, taught by the lessons of the war, to become self-sufficient in the matter of food, through tariff barriers, and through the agreements reached at the Ottawa conference last summer, fostering more intimate commercial relations between the various members of the British Commonwealth of Nations, and restricting imports from countries outside of this group, American oversea trade in meats and other foodstuffs had been dealt a severe blow. To this should be added the inability of the foreign importer to pay in gold. If some other means of payment could be provided, America's international trade would have brighter prospects. The life-blood of business would never circulate freely until the production pressure in each nation became more nearly equalized and trade once more moved freely across international borders.

At the close of the afternoon's papers, the convention adjourned from the Ben Lomond Hotel, where the meetings were being held, to the American Legion Chateau. Here a meat-cooking demonstration was given by Miss Inez S. Willson, director of the Department of Home Economics of the National Live Stock and Meat Board, Chicago. A large audience, among whom were many housewives from Ogden and surrounding country, followed with keen interest the manipulative and explanatory dexterity displayed by Miss Willson. Following this, a meat-cutting exhibition, also given under the auspices of the Meat Board, was presented by George Goeser.

The program for Saturday morning, January 14—the last day of the convention—had only two speakers listed. First to address the meeting was E. F. Rinehart, field animal husbandman at the College of Agriculture of the University of Idaho, Boise, who spoke on "Producing and Fattening Young Cattle on the Range." This phase of the industry, Mr. Rinehart declared, is rapidly becoming an important item in the stockman's marketing problems. The demand of the modern housewife for smaller cuts is making it necessary to turn out cattle at a younger age, although at the present time the market will not pay the premium required to make this procedure a profitable one for the producer. Many cattlemen preferred to buy steers for grazing, rather than attempting to breed their own calves.

E. J. Maynard, dean of agriculture at the Utah State Agricultural College, Logan, followed, speaking on "A New

Era in Beef Production." He stressed the advantage to the man who grows his own forage of fattening baby beef. While the market for young beef was still in the development stage, there were opportunities in this field for those who have the proper facilities. Mr. Maynard illustrated his talk with charts showing the relative value of different feeds.

In a brief talk, Charles D. Carey, first vice-president of the association and chairman of the National Live Stock and Meat Board, taking the place of R. C. Pollock, general manager of the board, who was unable to be present, sketched in an informal manner the work being done by the latter body in increasing the use of meat. Through the influence of meat-cutting and cooking demonstrations held all over the country, cuts which formerly were unpopular are now rapidly coming into favor. Colleges are offering courses in meat-cutting as elaborated by the board, and the interest of retailers and managers of chain stores has been aroused.

This ended the program. Next the report of the Committee on Resolutions was taken up. George A. Clough, of San Francisco, who has headed this committee for many years, was again chairman, bringing in twenty-nine resolutions, which were unanimously adopted after little discussion. They follow:

Resolutions

1. *Tariff*—Demanding maintenance of present tariff on live stock and live-stock products, except hides, duty on which should be increased to at least 6 cents a pound on green hides;

2. *Buy American!*—Urging modification of present law to provide that only home-grown live-stock products may be purchased by government agencies;

3. *Foot-and-Mouth Disease*—Reiterating opposition to any act that will subject live-stock industry to danger of introducing foot-and-mouth disease, appreciating efforts of Dr. John R. Mohler to protect industry against this danger, and urging government officials to watch for any slackening of embargo against importation of meats from countries where this disease is known to exist;

4. *Agricultural Marketing Act*—Favoring retention in Agricultural Marketing Act of provisions for fostering co-operative marketing and enabling producers to own facilities to provide necessary credits while live stock is being produced, fed, and marketed;

5. *Domestic-Allotment Plan*—Believing domestic-allotment plan to be economically unsound, and opposing it as medium of agricultural relief;

6. *Stock-Yard Charges*—Asking all live-stock marketing agencies to extend further help to industry by voluntary lowering of costs, and expressing appreciation of such as have already reduced charges;

7. *Reconsignment Privilege*—Opposing position of packers as to retention of change-of-ownership privilege at Denver, Ogden, and North Salt Lake, and establishment thereof at other public live-stock markets;

8. *Motor Trucks*—Favoring reasonable regulation of motor vehicles, but condemning unwarranted attacks upon them, and requesting Congress and state legislatures not to pass laws for elimination of competition with railroads;

9. *Railroad-Rate Reduction*—Urging management of railroads to reduce their charges so as in some degree to reflect drastic decline in commodity prices;

10. *Surcharges on Freight Traffic*—Holding that Interstate Commerce Commission and state commissions should deny railroads authority to continue surcharges on freight traffic;

11. *Section 15-a*—Reiterating opposition to section 15-a of Interstate Commerce Act, and urging Congress to repeal it;

12. *St. Lawrence Seaway*—Calling upon Senate to ratify treaty with Canada for construction of Great Lakes-to-Atlantic Ocean ship channel;

13. *Accreditation of Range and Semi-Range Cattle*—Requesting that range and semi-range cattle of West be accredited when post-mortem reports at packing-plants reveal incidence of tuberculosis to be less than one-half of 1 per cent, provided sanitary officials agree to tuberculin-test all herds in which disease was found;

14. *Oleomargarine*—Urging immediate passage by Congress of Kleberg bill placing tax of 10 cents a pound on margarine made of fats and oils produced outside of United States, and adherence by state legislatures to principles of this bill in deliberating on margarine laws;

15. *Federal Land Bank Loans*—Recommending that maximum limit of Federal Land Banks for loans on western live-stock ranches be increased to $100,000, and that loans be made to corporations as well as to individuals and partnerships;

16. *Loan Appraisements*—Requesting Federal Land Banks, in appraisements for loans, to give same consideration to range use and privileges on public lands appurtenant to deeded lands as given to those running stock solely on deeded lands;

17. *Taxation of Agricultural and Grazing Lands*—Holding that taxation on agricultural, and especially grazing, lands should be reduced at least 50 per cent;

18. *Public Domain*—Urging present Congress to enact law transferring public domain, including both surface and mineral rights, to respective states, with proviso that each state be given option to accept or reject title;

19. *Inter-Governmental Transfer of Public Lands*—Opposing transfer of public lands from Department of Interior to Department of Agriculture, as well as withdrawal of lands from settlement and private ownership;

20. *National Parks*—Protesting against creation of new national parks, or additions to existing parks, in western states;

21. *Forest Fees*—Asking Secretary of Agriculture to reduce grazing fees on national forests by 50 per cent for year 1933;

22. *Railroad-Land Leases*—Requesting railroad land departments to adjust their grazing leases to basis of prices paid for similar leases;

23. *Rentals on Indian Lands*—Urging Commissioner of Indian Affairs to secure reduction of 50 per cent in rentals on grazing lands within Indian reservations;

24. *Predatory-Animal and Rodent Control*—Petitioning Congress to appropriate sufficient funds to enable Bureau of Biological Survey and co-operating agencies to continue program of control of predatory animals and destructive rodents;

25. *Grading of Beef*—Congratulating Bureau of Agricultural Economics and National Live Stock and Meat Board on success of government grading and stamping of beef, and favoring extension of project to lower grades and additional areas;

26. *National Live Stock and Meat Board*—Urging markets which are not yet collecting assessment of 25 cents a car on live-stock shipments for support of activities of National Live Stock and Meat Board to lend this aid to much-needed industry co-operation;

27. *Appreciation of Loyal Members*—Regretting absence of many members of association grown old in service of industry, and expressing appreciation of their unswerving loyalty;

28. *Appreciation of Secretary and Traffic Counsel*—Expressing appreciation of diligent and efficient services of Secretary Mollin and Traffic Counsel Blaine;

29. *Thanks*—Thanking city of Ogden, Ogden Chamber of Commerce, Ogden Live Stock Show, and individuals and organizations contributing to comfort and entertainment of members during convention.

Election of Officers

In the choice of officers, all the incumbents, with one exception, were re-elected. Charles E. Collins, Kit Carson, Colorado, will continue to head the organization during the current year, and Charles D. Carey, Cheyenne, Wyoming, remains as first vice-president. The second vice-presidents are: George Russell, Jr., Elko, Nevada; Hubbard Russell, Los Angeles, California; A. R. Modisett, Rushville, Nebraska; T. E. Mitchell, Albert, New Mexico; and T. D. Hobart, Pampa, Texas. Mr. Hobart replaces J. M. West, Houston, Texas. F. E. Mollin, Denver, Colorado, was reappointed secretary-treasurer, and Charles E. Blaine, Phoenix, Arizona, traffic counsel.

Invitations for next year's convention were received from Albuquerque, New Mexico, and Rapid City, South Dakota. Albuquerque received a majority of the votes. The date of the 1934 meeting will be fixed shortly.

PRESIDENT'S ADDRESS*

BY CHARLES E. COLLINS

Kit Carson, Colorado

THE YEAR 1932 WILL LIVE LONG IN THE MEMORY of all those present at this convention. It will stand out, not only because of its ability to establish new lows in commodity prices and in industrial activity long after all experts had agreed that the bottom had been reached, but also because of the extraordinary measures adopted by the federal government to stave off further disaster, to strengthen our remaining financial institutions, to provide new sources of credit, to stimulate the building of public works, and to restore confidence and encourage a revival of business by every means at its command. It also marks the greatest activity ever known on the part of welfare organizations—supported largely by private donations, but in this emergency aided in some instances by appropriations from local, state, or federal funds—to take care of the millions of people out of employment. With the world at large in a chaotic condition, with rebellious hands raised against the constituted authorities on all sides of us, we have reason to be proud of and grateful for the deep-rooted respect felt by our people for the government of this great democracy of ours, as evidenced by the fact that, under the severely trying conditions of the past year, there have been no disorders worthy of the name, and that even a presidential election, with almost forty million voters casting their ballots, went off practically without incident.

Through it all the live-stock industry, as ever in the past, has kept its face to the front. With the usual channels of credit suddenly contracted, or in some cases completely withdrawn; with prices for its products at distressingly low levels; with taxes, interest, and marketing charges practically as high as ever, the industry—so far, at least—has been able to prevent serious liquidation of its breeding herds, and stands ready today, as always, to furnish the raw material which will provide the best quality of dressed meats available in any market the world over, as fast as the market can absorb it.

Fully conscious of the many serious problems that must be solved before we can expect substantial improvement in the economic condition of this or any other nation, and of the fact that such a turn must come before any individual industry can again prosper, we yet refuse to abandon the ship. We hope and believe that the low levels reached in 1932 in commodity prices and business activity will mark the lowest point for many years to come, that the combined forces which are now fighting the depression have it at least checked, and that we may expect a slow but steady improvement in the near future. It is thus that we prepare for the year 1933, with its many major problems of direct concern to us, a favorable solution of which will aid materially in restoring the industry to an even keel.

Tariff

We are confronted with the strong probability that a new tariff bill will be written at a special session of Congress next spring. The Smoot-Hawley Tariff Act, which went into effect in 1930, has been the subject of much criticism. Those who advocate free trade or a tariff for revenue only, people with interests in foreign lands, international bankers, and diplomats seeking to curry favor abroad, have blamed this law for the depression—which, however, as everyone knows, is world-wide. It is held responsible for the decline in our foreign trade, although every nation on the globe is seeking to reduce its purchases abroad and keep its money at home, and is offering all manner of inducements to stimulate its domestic production in order to bring about this end. Many urge a lowering of the tariff to expand foreign trade—a beautiful theory; but always they are thinking of reducing the duties *on the other fellow's product*. None is willing to start with his own. The plain truth of the matter is that many countries with depreciated currencies, with consequent low production costs, and with surplus products, are clamoring for entrance to the United States market—the best consuming market in the world. It would be disastrous to our domestic agricultural producers, as well as to the employees of our great industries, to lower the bars. We cannot compete with foreign production costs and maintain our present standard of living.

Even at the low price-levels now existing, and with the protection of the rates provided in the 1930 act (the best we ever had), substantial quantities of cattle, dressed and canned meats, and hides are still entering our markets. For the first six months of 1932, 59,528 cattle were received, compared with 192,638 in the same period in 1930 (the 1930 Tariff Act went into effect on June 17 of that year); 440,353 pounds of dressed beef and veal, compared with 7,212,216 pounds; 10,032,528 pounds of canned meats, compared with 40,367,679 pounds; and 47,997,086 pounds of cattle, kip, and calf skins, compared with 151,435,397 pounds. It is apparent that the present rates on cattle, and dressed and canned meats, should be maintained, or, as prices advance, we shall again find imports increasing. The present import duty on hides—10 per cent ad valorem—is entirely inadequate. Our association has long advocated a duty of 6 cents per pound on green hides, and in the fight just ahead we shall continue to urge it.

Of even greater importance is the provision in the present law which prohibits the entry of live animals or dressed meat products from countries where foot-and-mouth disease or rinderpest is known to exist. There have been several outbreaks of foot-and-mouth disease in the United States in the last twenty years, which have practically all been traced to ship garbage or imports of various kinds from South American countries. These outbreaks have been suppressed only with great difficulty, and at huge expense to the federal administration and the state governments involved. Recently representations have been made to our government by South American envoys, urging that this restriction be removed and the tariff lowered. We are entirely justified in demanding that no "noble experiments" be indulged in, giving that dangerous disease a chance to gain a foothold in this country, and shall insist on the retention of that important paragraph, unchanged, in the new tariff bill.

Railroads

During the past year so much has been said about the serious plight of the railroads, their need for relief from taxation burdens and onerous regulations, the necessity of putting competitive carriers under control similar to that imposed upon the rail operators, the urgent plea of the roads for a return to the rails of much of the traffic now diverted to trucks and buses, in order to restore earning power, that we are liable to lose sight of the fundamental reasons for the railroad debacle. *Transportation costs are too high.* These costs not only are driving business away from the rails to their competitors, but are actually destroying potential business by forcing a realignment in many industries, so that the minimum amount of transportation of both the raw material and the finished product is involved. That is true in the live-stock industry, with an unprecedented volume of feeder animals moving direct from the range to the feed-lot

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*Delivered at the annual convention of the American National Live Stock Association in Ogden, Utah, January 12-14, 1933.

last fall. The railroads are essential to the welfare of this country, but it is suicidal for them longer to maintain rates at a high level, in the hope of paying dividends on capital structures based upon inflated valuations. Economies in management, elimination of costly duplicate service, writing-off of lost capital (as everyone else has had to do), and, as a consequence, cheaper transportation, both freight and passenger, are the only things that will save the railroads.

Trucks

The question of regulating the trucks was touched upon in the foregoing paragraph. Regulation is one thing; strangulation, as in the Texas law, which limits loads to 7,000 pounds, is quite another. No doubt it is only fair that the trucks, as common carriers, should be regulated. It is well to remember, however, that in many parts of the country they provide the only competition which the railroads ever had, that thousands of rail rates for short hauls have already been reduced and minimums lowered to meet this competition, that service has been improved, and that regulations have been modified—all in the public interest. It is essential that this competition be maintained on a healthy basis, and we warn you to watch for bills in the state legislatures this winter which are designed to put the trucks out of business, as the truck is about the only hope we have left of securing lower freight rates.

Reconsignment Privilege

Following the decision in Docket 17000 a year ago, the railroads failed to include in their new tariffs permission to reconsign live stock at most of the central and southwestern markets when change of ownership occurred, although Denver, Ogden, and Salt Lake City continued to enjoy that privilege. The big packers contend that, owing to the fact that there are no slaughter-in-transit rates, their eastern competitors enjoy an advantage in the dressed-meat markets of the Atlantic seaboard on live stock bought at the central markets, reconsigned at the balance of the through rate, and slaughtered in the East, compared with their own operations on product from animals slaughtered at central markets and shipped east on local rates.

We contend that the reconsignment privilege is so generally recognized in the handling of all commodities that it would be a rank discrimination to deny it to the live-stock industry. Furthermore, it would operate to increase the net cost of meat products at the point of heaviest consumption; and we are firmly convinced that the producer will be called upon to pay this added cost.

We urge the packers to seek any needed relief through adjustment of the dressed-product rates, and to cease their efforts to increase transportation costs on live stock in the manner shown.

Our Traffic Department

In all these problems of national importance, in intrastate matters, and in individual cases of merit, our Traffic Department is splendidly equipped to serve you. You need only write direct to Mr. Charles E. Blaine, or to the office at Denver, for information regarding pending questions.

Tuberculosis-Accreditation Work

The plan upon which our special Committee on Tuberculosis Eradication has been working during the past year, the progress made, and the need for co-operative action during the next twelve months will be outlined in detail by the chairman of that committee, Mr. J. Elmer Brock. Suffice it to say that the urgency of economy in state and federal governments should clearly indicate the necessity for the adoption of this plan. There has been a mistaken idea that states in which considerable accreditation work has already been done are not interested. Every state in the West is concerned, because of the fact that this work is a continuing one, and reaccreditation is necessary every three years under the present plan. In the interest of economy and efficiency, and in recognition of the splendid work it has done, I strongly advise you to give this committee your full co-operation. Without it, the rule prohibiting interstate shipment of feeder cattle from areas where the incidence of tuberculosis was known to be more than 1 per cent, into accredited areas, would now be in force, unless the cattle came from accredited areas or were subjected to the tuberculin test—a process requiring seventy-two hours' time. After July 1, 1934, the same rule was to have been applied to areas where the incidence of tuberculosis was less than 1 per cent. Now these rules are indefinitely postponed, and we do not anticipate that they will be put into effect until we have had ample time to work out a proper solution of the problem.

Forest Fees

It has been the policy of our association to adhere to the schedule of fees provided in the agreement made at Salt Lake City in 1927, the term of the present permits expiring in 1934. It is with the deepest regret that we acknowledge the condition of the industry to be such that it is not possible to pay on that basis. In recognition of the situation then obtaining, the Secretary of Agriculture early last spring reduced the fees 50 per cent for the year 1932. In view of the fact that matters have gone from bad to worse, it would seem that the secretary can do no less this year than to allow the same reduction. Of greater importance to the industry, however, is the question of getting the fees in the new ten-year permits, beginning in 1935, reduced to a level proportional with the other operating costs, and in line with the recommendation of the chief of the Forest Service in his letter of January 25, 1927, to the secretary, in which he states that there should be no change in the fees for the ten-year period beginning in 1935, "unless there should be a material change in the conditions existing." That "material change" certainly has come.

I recommend the appointment of a joint committee of this association and the National Wool Growers' Association to open negotiations on this important issue.

Fats-and-Oils Legislation

One of the major factors that have contributed to the decline of American agriculture is the rapidly increasing imports of fats and oils. These imports usurp the rightful place of oleo oil, cottonseed oil, and neutral lard in the manufacture of oleomargarine and cooking compounds. They offer serious competition to lard itself, and thus indirectly exert a bearish influence on meat prices. These imports now amount to more than a billion pounds annually, of which coconut oil alone makes up approximately six hundred million, palm and palm-kernel oil almost three hundred million, and whale and fish oils about two hundred million pounds. American agriculture cannot compete on even terms with oils produced in the tropics or taken from the ocean. It is essential that an adequate and equitable tariff be imposed for the protection of our domestic industry.

No satisfactory solution of this problem can be reached until full independence is granted the Philippine Islands, as the major portion of the coconut-oil imports comes from these islands, as well as more than half of the copra from which additional oil is extracted in this country.

Further, we urge the passage of the Kleberg bill, taxing all oleomargarine 10 cents a pound unless produced 100 per

cent from domestic fats and oils, thus immediately restoring to the live-stock and cotton-oil industries a substantial outlet for oleo and cottonseed oil in the margarine trade. In view of the fact that existing regulatory federal laws amply protect the dairy industry against unfair competition in that trade, we strongly recommend that any state legislation contemplated be along the lines of the Kleberg bill, protecting all domestic product against the foreign invader, and that existing legislation be amended to that end. It is distinctly unfair and un-American to tax one domestic industry for the benefit of another.

Commission, Yardage, and Feed Charges

For the past two years there has been an insistent demand from the country for a reduction in these important marketing charges. We believe that economies can be made in operating costs, such as the farmer and stockman have had to accept in their own operations in order to survive, without impairing the service rendered. The plea that commission men are not making money carries little weight, in view of the badly overmanned condition of their industry. To their credit be it said that reductions have been made at most of the central markets. The few who are still holding out for war-time rates are in a decided minority, and should quickly get into line.

The stock-yards, like the railroads, have reached the point of diminishing returns. With the single exception of Denver, where maximum rates established for the fall shipping season resulted in considerable savings to shippers of feeder cattle and feeder sheep, stock-yard officials at central markets have held their rates to war-time peaks, and watched the greatest direct movement of live stock in the history of the industry go by their portals. Their claim that even the present rates do not permit the earning of full dividends fall flat upon the ears of those to whom dividends or profits of any kind are only a memory. With great corporations, long established, passing their dividends entirely, investors in stock-yard securities have no right to demand "earnings and dividends as usual." Instead, they should cheerfully consent to reduced yardage charges, with resultant reduced earnings.

While there have been several reductions in feed charges at the various markets, grain and hay prices have shrunk to such an extent that prices charged for feed still seem out of line. This is particularly true at certain railroad junction points close to producing areas, where the spread in hay and feed prices is clearly excessive.

Everyone who is in any way connected with the industry should exert his full energy toward having costs reduced to a basis that will permit it to carry on. In the long run, this policy will return dividends to all.

National Live Stock and Meat Board

During the past year the final working-out of plans for the collection of the assessment of 25 cents per car from the producer, matched by a like amount from the packer, has enabled this board substantially to expand its activities. Radio stations, home-economics departments in schools and colleges, trade journals, and many other agencies are coming more and more to rely upon the Meat Board for authentic information about meat, its proper place in the diet, the best cuts to use, and how to prepare them. The board is worthy of the support of every stockman.

Beef-Grading

The project of government grading and stamping of beef, inaugurated May 1, 1927, is now well past the experimental stage. With the service available in fifteen of the largest cities of the country, 183,784,399 pounds were graded during the year ended June 30, 1932, compared with 103,518,300 pounds the preceding year. The people are today demanding truth in advertising; they are the court of last appeal, so far as the retailer is concerned; and the rapid growth of this service shows that the retailer is simply meeting consumer demand.

Biological Survey

There is a sweeping demand all over the country for economy in government. No doubt some worth-while agencies will be sacrificed to this demand. The Biological Survey has long been the friend of the stockman. It quietly goes about the task of protecting migratory birds and game animals, and checking the depredations of marauding beasts and destructive rodents. Abused by wild-life enthusiasts, who pretend to hear sunset music in the howl of the coyote, it is today, as ever, deserving of your continued support, and should be maintained on an efficient basis.

Co-operative Marketing

Under the stimulus given by the passage of the Agricultural Marketing Act, co-operative marketing of live stock has continued to make great strides, until today the agencies of the National Live Stock Marketing Association extend from Buffalo to San Francisco and from Michigan to Texas. In many of the market centers during the past year those agencies took the lead in making substantial reductions in commission charges. Through the formation of credit corporations in important live-stock producing and feeding sections, permanent facilities have been provided, primarily as an aid to orderly marketing. Their rapid growth indicates the determination of stockmen to rely more upon producer-owned and producer-controlled institutions, and less upon commercial agencies, which become ultra-conservative in their loan policy when the going is the hardest, and consequently the need the greatest.

Whatever changes may be proposed in existing laws, in order to work out new farm-relief plans, it is important that the essential provisions of the Agricultural Marketing Act, dealing with co-operative marketing and financing, be preserved.

Reconstruction Finance Corporation

The emergency relief legislation passed by Congress last summer came in the nick of time to prevent disastrous liquidation. The machinery is provided adequately to finance the industry in this crisis, at reasonable rates. So far, however, it has taken entirely too long, after loans have been approved, before the money is actually available. During the winter season, when substantial credits are used for the purchase of feed supplements, it is imperative that these delays be reduced to the minimum. Special provision should be made, also, for handling expeditiously the smaller agricultural loans —in many cases for amounts under $1,000.

Cattle Outlook

Since 1928 the numbers of cattle in the country have increased by a little more than a million a year. On January 1, 1932, there were 62,407,000 head reported, compared with 56,701,000 on January 1, 1928—an increase of 5,706,000. Of this number, 2,942,000 were females of the dairy breeds—all ages from calves up; leaving an increase of 2,764,000, mostly beef cattle. In 1928, 50.78 per cent of the total federally inspected slaughter was she-stuff. By 1931 the percentage of she-stuff in the slaughter had dwindled to 41.75 per cent; for the first seven months of 1932 it was below 40 per cent. Since

then there has been a sharp increase, but still the indications point to a further increase in cattle numbers on January 1, 1933. The total slaughter of cattle and calves for the first eleven months of the year 1932 shows a decrease of over one-half million head compared with the same period a year earlier.

Caution in further increasing cattle numbers under present conditions should be the watchword. The spaying of a reasonable number of heifer calves each year, in no way detracting from their market value, would seem advisable as one means of checking production.

Meat Situation

The supply of meats in storage is considerably below the five-year average, with a sharper decrease in egg, butter, and lard supplies. The number of cattle on feed, while no doubt sufficient for the occasion, is believed to be smaller than a year ago, when it was below normal. The prospective supply of pork for the winter months is less than usual, while the number of lambs on feed is the lowest in many years—some 10 to 15 per cent under last year.

These figures encourage me to think that the live-stock industry is in a position to benefit quickly from any fundamental improvement in conditions, with a corresponding reduction in the number of the unemployed. While the slaughter of cattle and calves was relatively light in 1932, that of lambs and hogs was heavier than for several years past. Yet the meat went promptly into consumptive channels, even if at low prices.

Money Question

The depression has now lasted more than three years, and the end is not yet. It is no ordinary trade recession, and will be overcome by no ordinary means. Perhaps we can in time slowly wear it out or adjust ourselves to it. Either that, or extraordinary measures must be taken to hasten recovery. American agriculture is being starved and ruined by the negligible exchange value of its products. Half the people of the world, using the silver standard, have little purchasing power in our markets. We must make money easier to get, and our commodities correspondingly higher in price. The remonetization of silver would give added purchasing power to hundreds of millions of people, would increase the currency in circulation, and would quickly advance commodity values.

Industry Co-operation

During the past year our association has worked in harmony with other branches of the industry in legislative questions, in seeking the quick establishment of relief credit agencies, in transportation problems, and in other matters of mutual interest. This co-operation should continue and be expanded. After all, we must rise and fall together, if anything like a fair distribution of the consumer's dollar is to prevail.

In closing, I wish to express the appreciation of myself and Secretary Mollin of the loyal support that has been given us in the past year. We realize the need for economy, and yet we urge you to stay with the ship. No one else will solve your problems for you. No matter how rocky the road, you cannot afford to let matters go by default. The most pressing need is for better distribution of the burden. If each stockman would do his small part, we should have a backing, both moral and financial, that would contribute materially to the success of our undertakings. In addition to continuing your own support for 1933, I urge you to assume the responsibility of seeing to it that your neighbor joins, and you neighbor's neighbor. That will insure the continuation and the advancement of this, your association, which has fought your battles these many years.

SECRETARY'S REPORT*

BY F. E. MOLLIN

Denver, Colorado

A YEAR AGO, WHEN WE MET AT SAN ANTONIO, about the only ground for cheer which we were able to discover was that it did not seem possible that 1932 could hold anything in store worse than we had encountered in 1931. History now shows that we were sadly mistaken. However, your association, although compelled to operate on a budget considerably smaller than that contemplated at the time, has been able to meet the most pressing demands for our services, increased rather than diminished by the forces of the depression, and we now report back to the new convention, perhaps somewhat the worse for wear, but still ready to carry on and tackle the several important problems looming ahead.

Our Traffic Department

Mr. Blaine's fourth annual report covers in detail the work of his department for the year, as well as points to work that should now be undertaken. It shows that much time and money were required to protect your interests by attending the various hearings, etc., in connection with the reopening of Docket 17000. In many other ways, particularly in the successful fight against an increase in bedding charges, has he been able to serve you.

Mr. Blaine is now in the midst of another matter of much more than ordinary importance—the question of the right to reconsign live stock at the balance of the through rate when change of ownership occurs. This meeting cannot address itself to a problem of more far-reaching consequences. It is very urgent that a way be found to keep Mr. Blaine in this case to the finish.

The Tariff

During the past year half a dozen or more petitions for a decrease in the tariff on cattle were filed with the United States Tariff Commission by farmers in northern and eastern states. Several of these applications were later withdrawn, upon the request of this association and of the American Farm Bureau Federation. Vigorous protests against putting the industry to the expense of a formal hearing under present conditions, when domestic prices do not equal the cost of production, were lodged with the commission by our association and several affiliated organizations, as well as by various farm bodies, and it is gratifying to report that no hearing was ordered.

The efforts of Argentina to find a way to get her surplus beef into this country have continued. Diplomatic representations have been made, urging a lowering of our tariff on dressed and canned meats, and elimination of the embargo provision, based on the existence of foot-and-mouth disease in that country. It is needless to say that every effort will be made by live-stock and farm organizations to preserve the status quo.

It is now clearly indicated that general tariff revision will be undertaken at a special session of Congress early next spring, and it will require close organization on the part of agriculture and the live-stock industry to protect their combined interests.

Oleomargarine Legislation

In line with the action of the Executive Committee at San Antonio, authorizing greater activity on our part to help

*Submitted at the annual convention of the American National Live Stock Association in Ogden, Utah, January 12-14, 1933.

restore the domestic outlet for oleo oil, I have during the past year devoted a great deal of time to this subject. The outstanding result of this effort has been the co-ordination of the work of the cotton-oil and live-stock interests in the matter, as the domestic outlet for cotton oil is likewise seriously curtailed by restrictive legislation. So far, with few legislatures in session in 1932, our activities have been mostly of an educational nature. To further that end, we have just prepared a booklet for distribution, showing for the first time the true position of the live-stock industry in relation to oleomargarine legislation. We are not fighting the dairy people. We are simply urging that one domestic industry shall not be taxed for the benefit of another, but, instead, that American agriculture should unite to fight the common enemy, the strength of which is shown by the huge imports of foreign oils.

Because of the congested situation in Congress, little effort has been made to push the Kleberg bill, which provides a tax of 10 cents a pound on all oleomargarine not manufactured 100 per cent from domestic fats and oils. We hope to get action on this bill in the new Congress. It is interesting to note that the National Dairy Union recently passed a resolution urging a tax on all oleomargarine containing any foreign product, which is simply a different means of reaching the same goal that we are seeking in the Kleberg bill. Further, it is significant that the Institute of Margarine Manufacturers, in spite of the fact that they used more than 125,000,000 pounds of coconut oil in the fiscal year ending June 30, 1932, recently went on record as favoring, as a general policy, the manufacture of oleomargarine made of fats and oils produced exclusively in the continental United States. Eventually we shall have some kind of protection against the cheap product made from foreign oils, a free and open market for the nutritive domestic products, and at the same time ample safeguards for the dairy industry in preventing any fraud in the manufacture or sale of these products as butter. The live-stock industry has always cheerfully recognized the need for this sort of regulation; but when, under cover of that need, a complete monopoly is sought by the butter trust, we are ready to fight, not only in the interest of the thousands of live-stock and cotton-oil producers, but also in the interest of millions of consumers who, if denied the right to purchase oleomargarine, still cannot afford to buy butter.

We are urging that, as a further protection against the foreign product, the various states in the West which do not now tax oleomargarine pass bills this winter drafted along the same lines as the Kleberg measure; also, that existing legislation which taxes all oleomargarine be amended to exempt products made entirely from fats and oils produced in the continental United States.

Tuberculosis-Accreditation Work

With a full report on this subject to be made to you later, it is not necessary for me to go into detail. Our effort during the year has been to keep the various states informed of developments, such as the start of the packing-house study, inaugurated at our request; to urge the states to work in unison in the matter, and to arrange conferences with Dr. John R. Mohler, chief of the Bureau of Animal Industry, and with the United States Live Stock Sanitary Association, and for a proper representation at such meetings.

It cannot be too strongly emphasized that your present status as to accreditation should not determine your degree of interest in our program. Even in the states of Idaho and North Dakota, which are now 100 per cent accredited, and in other states now partially accredited, the greater economy of reaccreditation, at the end of the three-year period for which the original work holds, under the plan we advocate, should make it a welcome substitute, in these days of diminishing appropriations.

Hearings under Packers and Stock Yards Act

The administration of this act under Secretary Hyde for the year 1932 leaves much to be desired. So far as yardage rates are concerned, partially adverse court decisions in the Denver and St. Joseph cases have left matters completely up in the air, and no relief can be expected in this direction until a new test case has gone to the Supreme Court. The lower courts did not question the right of the Secretary of Agriculture under the act to fix the rates, but found fault with some of the methods used.

As to commission rates, considerable progress was made during the year—largely, however, by means of voluntary or compromise agreements reached, outside of formal hearings, at such markets as Wichita, Oklahoma City, and St. Paul. The secretary's decision in the formal case was accepted and put into effect at St. Joseph; but at Kansas City, due to an entirely inexcusable delay of several months on the part of the secretary in signing the order, the Live Stock Exchange refused to accept the decision, on the ground of changed economic conditions, and a new hearing became necessary. This negligence has cost, and is still costing, shippers to that market thousands of dollars. To the credit of the co-operative associations at Kansas City be it said that they accepted the secretary's order, and, in fact, made some further slight adjustments downward.

At Denver and Fort Worth the co-operatives have also made substantial reductions in commissions, while the exchanges are among the last still to adhere to war-time rates.

Your association has kept in close touch with this matter, being represented at hearings when necessary, and taking the lead in initiating negotiations for private adjustment of rates, made necessary by the unending delay in official action. Although eleven years have passed since the Packers and Stock Yards Act went into effect, yardage rates in practically all cases are still at war levels. We urge that the condition of the industry in this emergency should be given more weight in determining yardage rates than the desire of stockholders for dividends. It is hoped that, as a result of negotiations now in progress, reductions, long overdue, will soon be made. Denver, alone of the central markets, established maximum rates for the fall shipping season that saved shippers of feeder cattle and lambs considerable money.

Credit Facilities

Recognizing that existing credit agencies could not or would not adequately finance the industry in the present crisis, in spite of the substantial assistance given by the various subsidiaries of the National Feeder and Finance Corporation, immediately upon the passage of the Emergency Relief Act, amending the law creating the Reconstruction Finance Corporation, we urged the prompt establishment of Regional Agricultural Credit Corporations in the various western districts. At our suggestion, a committee of stockmen was called to Washington to confer as to the regulations under which the corporations should operate. These agencies have prevented serious liquidation of the breeding herds of the western states, in addition to helping provide a better market outlet through the financing of feeders in the Corn Belt, although many of the cattle- and lamb-feeding operations have been financed through the usual channels of commercial banks or co-operative credit agencies.

Miscellaneous Activities

We have been able during the year to co-operate to advantage with many of the state and local associations in matters of current interest. It is a cause for deep satisfaction to report that our relations with all these associations have been on a most cordial basis. In national matters, we have continued our policy of working hand in hand with farm organizations wherever possible. In addition, as stated above, we are collaborating with cotton organizations concerning oleomargarine legislation and other problems related to the market for fats and oils.

The outstanding services of Mr. Blaine in traffic matters have brought a closer working relation with bodies of stockmen which do not have a traffic department, and in several instances these organizations have paid their share of expense incurred in important cases. Only such co-operation has made it possible for us so far fully to protect your interests, under the present difficult conditions.

In an organization such as ours, with widely scattered membership, meeting only once a year, it is often necessary for the executive officers to act quickly on matters which either were not considered at the last annual meeting, or in respect to which conditions have suddenly changed. Through it all it has been our constant endeavor to act in the interest of the industry and of the association, and to leave nothing undone to which we could profitably turn our hands.

I desire to express my appreciation of the able manner in which President Collins has directed our energies, and of the aid so freely given on request by members of our Executive Committee and other committees. The Finance Committee, in particular, has continued to function in an efficient manner, against very heavy odds, and has secured many new members. We believe that proper presentation of our program for 1933, as outlined above, will bring many more stockmen to our support, and that with it we shall be able to continue the high standard of accomplishment which is the official record of your association.

UNITED, THE SOUTH AND WEST CAN SOLVE THEIR COMMON PROBLEMS*

BY EARL S. HAINES

Executive Vice-President, National Cottonseed Products Association, Memphis, Tennessee

LAST MAY YOUR COMPETENT AND CONSTRUCTIVE secretary was good enough to come to the annual meeting of the National Cottonseed Products Association and bring us and the South an encouraging message which is destined to have some historic significance. What Mr. Mollin said about defending and extending outlets for American oils and fats made a profound impression on the South. In pamphlet form, that strong address is still being distributed, and its influence for good is still being felt. His vigorous and factual statements about a situation that needs to be, and eventually will be, corrected are serving also as a threatening challenge to a little group of selfish lobbyists who have been permitted all these years to arrange an unfair monopoly program pretty much to their own liking.

Mr. Mollin aroused a new hope and stimulated an awakening in the kindly and complaisant Southland. Before his coming, our defensive work against the aggressive and powerful butter lobby seemed quite lonely and hopeless. But, with the assurance that the heroic West was to become our strong ally, we have been encouraged to believe that justice will yet prevail, and that open markets will be restored to our products and yours. And so, in gratitude and appreciation, we come back to you with the certain hope and determination that, united, the South and West *can* solve their common problems.

There are several problems and opportunities, common to your country and mine, about which interesting discussion could be had. But I shall try to confine my remarks to a problem which seriously is confronting both of these great sections—sections which include about half of the states of the Union and about 40 per cent of the country's population. I refer to the problem of winning back for American producers of animal and vegetable fats the same open and unrestricted markets that have been enjoyed all these years by the producers of butter-fat.

Now, I appreciate the fact that this margarine question has been before you gentlemen for quite some time, and that your secretary and THE PRODUCER have kept you informed with respect to both the basic facts and the progress of a royal battle. There is, however, one economic aspect of the problem of discriminatory legislation about which until now comparatively little has been said, but about which, let me assure you, we are to hear much in the near future. I refer to the interest and point of view of 123,000,000 American consumers—particularly that part of the total population which in these trying times more than ever is vitally concerned about obtaining the most economical foods.

Powerful Allies Coming to Rescue of South and West

I shall, therefore, confine my remarks largely to the present and impending reactions of consumers, consumer organizations, and social agencies generally to the monopoly program of the butter lobby. Here are potentially our greatest allies, which, when they finally get into action, will hasten the day of ultimate repeal of all unfair, discriminatory, and uneconomical tax burdens on wholesome and nutritious foods—foods which are needed, as the American Federation of Labor has long contended, by millions of our people with meager incomes and low purchasing power. Even in piping times of prosperity there has been a demand for a lower-cost table-spread than can be turned out of our creameries and centralizers. The depression has, of course, greatly aggravated this situation. In addition to the 12,000,000 unemployed, there are today countless other citizens, involving possibly 40,000,000 people, who are unable to buy a pound of butter, and in most cases, our inquiries indicate, are compelled to go without any table-spread at all.

Consider, for example, the status of Cotton Belt consumers. The cotton crop has been constituting about half of the entire farm cash income of southern farmers; and to a very great extent the purchasing power of the urban South correlates with that of the cotton-growers. The 1929 cotton crop yielded, according to the Department of Agriculture, a farm cash income of $1,389,000,000. From the past year's crop this income, the department now estimates, will be $397,000,000—a shrinkage of 72 per cent in three years. On a per-capita basis, the cash income from the South's principal farm crop dropped from $105 in 1929 to $30 per farm inhabitant this season.

But, before continuing with the consumer aspect of our common problems, let me give you a hurried picture to show why the South, from the point of view of cotton-growers as large producers of cottonseed oil, is interested in a larger production and consumption of margarine. The southern people

*Address delivered at the annual convention of the American National Live Stock Association in Ogden, Utah, January 12-14, 1933.

are interested—vitally interested—both as producers and consumers.

Importance to Southern Farmers of Cottonseed Oil

The cotton crop is marketed in two parts—the lint and the seed. Cottonseed in most of the southern states is the farmers' second most important cash crop. It is their leading seed crop, and among the grain crops of the entire country is exceeded only by corn, wheat, and oats. Six million tons, or slightly over 400,000,000 bushels, were produced annually the past three years.

Data compiled and published by the National Cottonseed Products Association show that during the past five years the sale of the products derived from the crushing of the seed has amounted to a total of $1,022,000,000. Of this revenue the farmers at the gins received $653,192,000, and the seed merchants $112,000,000. About $258,000,000 was absorbed in transportation and conversion costs. The mills suffered a net operating loss during the five years of $371,000.

The point I want to make in quoting these figures is that of the $653,192,000 which went to the cotton-growers a little over 52 per cent, or $341,358,000, represented the value to the farmers of the cottonseed oil pressed by the mills from the seed.

The annual production of the cottonseed oil is around a billion and a half pounds—just about equal to the annual production of factory butter in this country. The past two years the farm-value ratio of cottonseed oil to the cotton lint has been approximately 10 per cent.

It will be apparent at once that any discriminatory and preferential restriction of outlets for cottonseed oil strikes a trade blow more severe than could be struck against any other southern farm product except tobacco and cotton lint.

This past year there has been the biggest carry-over of cottonseed oil the industry has ever known. At the end of 1932 the stocks of refined cottonseed oil on hand exceeded the normal stocks on hand, as of December 31, by 40 per cent.

The attitude toward cottonseed-oil outlets of southern farm leaders is indicated in a recent radio broadcast made at Jackson, Mississippi, by Mr. McInnis, of the State Marketing Service. In an address devoted entirely to its importance to the South, Mr. McInnis said:

"It behooves our people who are interested in cottonseed oil to see to it that all products made from it are not discriminated against, and to keep in mind that our cottonseed crop is our second largest source of farm cash income, and that any move that will increase the demand for cottonseed oil benefits the producer of cottonseed directly."

The only important organization of cotton-growers in the South is the American Cotton Co-operative Association, with a membership of 208,000 organized cotton-growers, which association is a sort of federation of state associations from Texas to the Carolinas. At a meeting last March of the directors of this association a very significant resolution was adopted, and the story of it given to the press. It is needless to say that it caused no little consternation among the lobbyists who have been fighting, with almost complete success, to tax margarines out of the markets of this country. Let me quote it to you, as representing the thought of the intellectual farm leadership of the South:

"WHEREAS, The price of cottonseed is largely dependent upon the price of cotton oil, and it is in turn dependent upon the uses to which it is put; and

"WHEREAS, The highest prices are paid for cotton oil when used for edible purposes, including the manufacture of oleomargarine; and

"WHEREAS, National legislation is now in effect which puts an unfair tax on oleomargarine, made from cotton oil and other wholesome domestic fats, and legislation is being proposed still further to discriminate against oleomargarine; and

"WHEREAS, We believe it is unfair and un-American to tax or otherwise discriminate against the wholesome products of one group of American farmers for the benefit of another group of farmers, where a product is sold in its own name and on its own merits, and not in substitution for any other product; and

"WHEREAS, Oleomargarine is sold in its own name and on its own merits, and as an alternative, and not as a substitute, for any other food products, and it would be as logical to tax fish for the benefit of poultry, or pork for the benefit of mutton or beef, as it is to tax wholesome fats produced from beef or dairy cattle or vegetable seeds for the benefit of dairy products; and

"WHEREAS, At this particular time of widespread unemployment and reduced buying power of the public, it is unfair to the consumers of oleomargarine that they be required to pay an excessive price for a healthful and appetizing food product as a result of federal and state taxes levied on such product; now, therefore, be it

"*Resolved*, In the interest of the producers and consumers referred to, that the directors of the American Cotton Co-operative Association, in regular meeting assembled, do hereby instruct their officers, and ask the officers of the state cotton co-operative associations to co-operate with other groups of American farmers producing fats and oils, in calling upon our representatives in Congress and the members of our respective state legislatures looking to the removal of such discriminatory barriers to the free and unmolested sale and use of oleomargarine in the United States, and to the prevention of further discrimination, in whatever way such discrimination may appear; and be it further

"*Resolved*, That a copy of these resolutions be sent to the members of Congress and of the state legislatures of the cottonseed-producing states, and to the press of the South."

Strong and emphatic resolutions, you will agree! I have talked with some of the outstanding leaders of this cotton co-operative, such as President Blalock, Mr. Henry, and Mr. Moser, and I know they and the others are standing valiantly back of their resolutions. They are backing up their utterances with their spurs. (You will recall that Josh Billings admired the rooster that was prepared to back up its crowing with its spurs.)

Arguments Unanswerable

Let me give you one typical example of how these leaders actually did back up their resolutions. Protests naturally came from those who have accepted the propaganda of the butter lobby as the ultimate economy in the realm of tablespreads. To a protest from one of the government's extension workers, C. O. Moser wrote in part as follows:

"We cannot be a party to promoting the dairy industry at the expense of other domestic fat-producers, in view of the fact that the organization which we represent is intrusted by the cotton-producers of this country to protect their interests, and I believe that, in the performance of our duty to them, and the continued justification of their confidence in us to safeguard their welfare, and the respect which they have for our understanding of their interests, we cannot conscientiously agree, without protest, to submit to what is manifestly an unfair discrimination against their interests.

"I do not regard oleomargarine as a substitute for butter, but rather as an alternative product, if it is sold in its own name and on its own merits, and is free from the charge of being sold as another product. The dairymen claim their right to a preferential position in price over oleomargarine by virtue of the difference in the cost of production of butter-fat and other animal and vegetable fats. I do not believe that this argument can be sustained without recognizing the difference in the cost of production of other food products. Such a policy would justify the taxing of fish, for instance, which are caught in the ocean, for the benefit of poultry or meats, because there obviously is a difference in the cost of produc-

tion. Such a policy would engulf us in interminable conflict and confusion, and result in the equivalent of tariff barriers among our various domestic producers and industries, and would violate the fundamental principles of our form of government.

"The records of the Internal Revenue Department indicate that one-fourth of a cent per pound is sufficient to defray the expenses of inspection and the enforcement of the law to prohibit fraud, and as such the producers of other fats and oils have no complaint. There is question, however, about the justification for taxing other domestically produced fats sold as oleomargarine 10 cents a pound because they contain coloring matter. As a butter-manufacturer, I know that practically all the butter in the United States, with the exception of a short period of time in the spring, is artificially colored. I can see no more wrong in coloring oleo, stearine, cotton oil, peanut oil, or similar products, when used for human consumption, than in coloring butter-fat. Even this legislation was opposed only by the cattle-raisers. But the dairymen were not satisfied with a law which would protect them against fraud. There are two bills pending in Congress at this time, inspired and supported by the dairymen—one which proposes to put a tax of 6 cents per pound on uncolored oleomargarine, and another which prohibits the use of federal funds for the purchase of oleomargarine for any federal institution. This has, of course, no other purpose than to outlaw the other perfectly wholesome food product in the interest of increasing the consumption of butter. Such a course is unjustified by every rule of justice and fair play.

"In the resolution adopted by the A.C.C.A. directors it should be observed that we are not fighting the dairymen, but, on the contrary, they are fighting us. Concerted effort is now even being made in practically all the cotton-producing states, which produce on an average about 25 per cent of their factory-butter needs, but on an average of more than 75 per cent surplus of cotton oil, to put restrictive legislation on the consumption of the second most valuable product produced by our people. On account of the absence of someone to defend the interests of the cotton-growers, this legislation is being enacted.

"Furthermore, the success which the dairymen have had in obtaining preferential treatment in the sale of their products has encouraged the hog-producers to follow suit in likewise outlawing cotton oil when used for cooking purposes. As a matter of fact, there is little distinction in principle between putting a tax on cotton oil entering the oleomargarine trade and putting a tax on the same product entering the shortening trade. It was only the most strenuous effort of the American Cotton Co-operative Association, agricultural colleges, the agricultural press, southern governors, and the cotton-oil industry that prevented the passage of anti-cotton-oil legislation last winter in several of the mid-western hog-producing states. [Such a law was passed in South Dakota.] The encroachment of both of these groups on the legitimate outlets for cotton oil was a determining factor in the adoption of the policy expressed in the resolutions referred to."

Eventually Consumers Will Dictate Our Margarine Legislative Policy

Let us now turn to a brief consideration of the consumers' stakes in this margarine question. And I begin by referring to the attitude of organized labor. Unrestricted markets for margarine have always been the demand of the American Federation of Labor. Here is a statement made by Edward F. McGrady, legislative representative of the American Federation of Labor, before the Senate Committee on Agriculture, February 5, 1931, which was considering the Brigham bill:

"The American Federation of Labor is opposed to any further tax being placed upon oleomargarine because of the use of palm oil. We wish it were possible to feed every man, woman, and child in the nation pure butter; but, unfortunately and obviously, this cannot be done because of the almost perpetual poverty of millions of our people. It has been estimated that there are in the neighborhood of 20,000,000 people who are living in poverty. These poor people are often victims of malnutrition. They are unable to buy the kind of food that would enable them to render good health. These people, being unable to purchase butter, have to resort to a substitute; so they have oleomargarine. We are opposed to any further tax being pressed upon this product, because, as you know, to do so you are taxing the breakfast, dinner, and supper tables of millions of unfortunate people who are already unable to live as Americans should live and as we want them to live. We trust that this committee will not vote for this bill, or any other bill of a like nature that would add to the burdens of our poor."

But the committee and Congress did add to the burdens of the poor, because the butter lobby in characteristic fashion was back of the grossly unfair Brigham bill. The Brigham law is the most serious blow, in my humble judgment, that has ever been given the margarine industry—which means, in effect, a blow to your industry and mine. Under the existing law, a wholesaler is permitted to sell artificially colored butter of low score made out of renovated cream without incurring the displeasure of the powers that be; but if that same wholesaler handles wholesome and pure margarines which derive a natural color from beef fat, he is required by a very discriminatory enactment of Uncle Sam to pay a license fee of $480 a year for that privilege. It is a beautiful example of the misapplication of the good old American doctrine of equality of opportunity.

At Cincinnati, two weeks ago, I attended the annual meetings of the several economic and sociological associations, and I had an opportunity to talk with some of the country's leading social workers about the effect of the depression on standards of living and on food budgets of the extremely poor or unemployed. All agreed that there will be no question about the outcome of the fight to remove the restrictions against margarine when the issue is put squarely up to Congress from the point of view of consumers. The injustice and false economy of anti-margarine legislation are now being forced on the attention of the thoughtful citizens who are engaged in our extensive relief work. Only the most economical foods can be bought for the millions of families that are today entirely dependent for their sustenance on public charity. These relief agencies are encountering some opposition, I am told, to their plan to include low-cost margarines in the dietary of these millions of men, women, and children who would be facing starvation except for these relief services.

Dr. Lewis Levy, an eminent doctor and president of the Council of Social Agencies in one of our large cities, recently published this statement:

"Every crisis like this one eventually leaves within its wake the wastage of human bodies directly attributable to lack of proper and nourishing food. Unless this depression works out totally differently from those gone before, this toll of human life and vigor will be exacted directly in proportion to the amount of undernourishment which is allowed to occur during these months through which we are passing."

The nutritionists and social workers with whom I have discussed the question became righteously indignant when they realized how the anti-margarine laws have kept an economical table-spread off so many of the markets.

Abundant Sweet Potato Also Rich Source of Vitamin A

At this point, let me divert long enough to announce, almost for the first time, a very significant discovery that has been made recently at one of our leading universities, by one of the country's best-known authorities on nutrition and food research. This finding has a correlative bearing on the subject we are discussing. We have been told repeatedly, and apparently most of us believe, that butter has no rival, except cod-liver oil, as a source of Vitamin A. Now the fact has been established, and shortly will be officially published, that the Nancy Hall or yellow variety of sweet potato is a very rich source of Vitamin A, ranking close, if not equal, to good

creamery butter, pound for pound. I say "good creamery butter" for the reason that many northern plants supplying a part of the South's factory-butter shortage have been permitted to send us their low-scoring product, much of which is made from a sort of renovated cream. The high-scoring butter from the Dairy Belt goes east. Only very small quantities of quality butter come south.

The discovery of the exalted Vitamin A in such large quantities in this type of sweet potato, now selling at 2 or 3 cents a pound, will bring a measure of relief to the southern nutritionists whom I have found deep in gloom over the fact that countless southern households, both on farms and in the cities, are, in these trying times, compelled to exclude butter from their all-too-meager appropriations for food. It will be an encouragement, too, to the faithful few who are defending the economic and moral rights of domestic producers of beef fat and cottonseed oil to combine these wholesome and nutritious fats with, say, 25 per cent whole milk in the production of margarine.

There should be—and some day, I predict, there will be—a number of southern plants producing margarines. About 60 per cent of the country's vegetable shortening is now made in plants located in the southern states. We can anticipate that some of these plants, when the legislative handicaps have been removed, will install margarine churns, thus utilizing much of their present overhead now employed in the production and distribution of shortening and cooking oils. Your interest in such an enterprise will be the extent to which substantial quantities of your surplus beef fat will find a new market. Your feed-lots are our best outlets for cottonseed meal and cake. We will reciprocate by buying another of your products.

Now, returning to my unfinished consumer discussion:

While motoring in the Carolinas and Georgia the past summer, in connection with my association program, I made considerable inquiry on the farms and in the textile-mill villages about food conditions. I found the great majority of the families I visited unable to buy a single pound of butter. I found mothers actually pleading with their local grocers to get them margarine. Upon inquiry as to why such dealers did not handle margarine, invariably the reply was that government regulations and fees were too onerous. That was in the country where there is a great shortage of butter of local production, but where there is a surplus of cottonseed oil.

Retail Grocers Protest against Discrimination

At its annual convention in St. Louis last June, the National Retail Grocers' Association adopted the following resolution in protest against the federal margarine dealers' license tax and the many state taxes:

"WHEREAS, Retail grocers of the United States are unjustly required to pay a federal license tax for the handling and sale of margarine, and are, in addition thereto, in many states taxed to a prohibitory amount on the handling and sale of that commodity, which is declared by the highest authorities to be a wholesome food product; and

"WHEREAS, Such a tax must be borne eventually by the consuming public, and conditions in these depression periods do not warrant such taxation on a food commodity which is being used by consumers throughout the United States practicing economy; and

"WHEREAS, Oleomargarine is a product manufactured under the supervision of the United States Department of Agriculture, thus complying with all the regulations of the federal food laws; therefore be it

"*Resolved*, That the National Association of Retail Grocers, in convention assembled at St. Louis, Missouri, June 6, 7, 8, and 9, 1932, again reaffirms its opposition to the levy of this tax, and pledges its utmost co-operation to all agencies interested to relieve the retail grocer and consumer from this unjust tax burden."

Another welcome ally in our common cause—the organized retail grocers!

To Hell with the Consumers!

Mr. Mollin, if you have not already done so, I think I should tell your people the story of our Washington conference, a year ago, with Charley Holman. If we are to get anywhere in this defensive fight for open markets and extended outlets for our products, it is essential that we know the character of our opposition.

C. O. Moser, representing the cotton-growers, Mr. Mollin, and I had been discussing this problem, and it was agreed that Mr. Mollin and I should see Congressman Jones, of the House Agricultural Committee, about how to proceed to get Congress to remove burdensome taxes on margarines made 100 per cent of domestic materials. This we did. Mr. Mollin suggested the idea of the Kleberg bill, and Mr. Jones seemed to approve the plan. He reminded us, however, of the strong influence in Congress of the dairy lobby, and suggested that our program would be helped by enlisting the support of Holman and Loomis. Mr. Jones then made the astounding statement that the so-called dairy lobby was the most powerful lobby operating in Washington.

I come now to an even more shocking revelation. With Mr. Moser, we did have a conference with Charley Holman. We did not attempt to see the other big boy who presumes to speak for the dairy interests, but who in reality works for the butter-manufacturers. We told Holman of the program to bring about a shifting of the margarine industry back to its pre-war status, when it was using domestic animal and vegetable fats exclusively—no foreign oils. We asked him to support this program.

I am going to give you his reply, and I hope you will carefully weigh its social and economic implications. Holman, with admirable presumption and candor, replied that his group could not support our program, and added that he and his dairy interests were not going to cease fighting margarines until they had succeeded in equalizing the cost of producing butter and margarines.

Think of it! Think of the audacity of demanding a preferential monopoly position for butter, at a time when at least 12,000,000 unemployed, not to mention millions of others receiving inadequate food, are stalking the streets of our cities in want and despair! Holman's position, which I am certain does not represent the attitude of the honest dairy-farmers of the Northwest, where I have made considerable inquiry, virtually says to these millions of American families: "If you cannot afford our higher-cost butter, you must go without any table-spread." And to the cattle-growers of the West, with a surplus of beef fat, and to the South, with a surplus of cottonseed oil, he virtually says: "You cannot have the same open outlets for your products that the butter-fat producers of the North have for their products."

There is nothing in the statistical situation that justifies preferential federal treatment of the dairy interests. The Bureau of Agricultural Economics each year publishes figures showing the gross income from farm production. An examination of a recent report shows that the farmers' income from the cotton crop is estimated this year at only 28 per cent of what it was in 1929, and the income from cattle and hogs and sheep is estimated at 40 per cent of 1929, while on the same basis farm dairy products are 51 per cent. The bureau's report on the December 15 farm-price situation shows that cotton and cottonseed that month had an index of 43, compared with a five-year pre-war index of 100. Meat animals were 52 per cent, and butter 84 per cent, of the pre-war five-year price-level.

Complete Monopoly Their Goal

At last Holman admits, what we have known all along, that it is not a question of fraud or misrepresentation on the part of those who make or distribute margarine. That may have been the basis of legislation a generation ago, but not today. Their attack is on margarine.

When Congress finally gets down to sober and intelligent consideration of this margarine question, it will conclude, we can be sure, that no federal regulation whatsoever is necessary. It will ultimately, I believe, repeal the entire margarine regulations and depend on the Federal Trade Commission to safeguard the public interest against any possible fraud or misrepresentation on the part of margarine-manufacturers, just as the commission is now doing with respect to such questions in all other fields of interstate commerce.

Here is a typical statement of A. M. Loomis, appearing in *Dairy Produce*, September 8, 1931. He advocated meeting

"this oleomargarine competition by taking every step which is legally and morally defensible to reduce the consumption of oleomargarine and other vegetable-oil products. The effort to reduce the consumption of oleomargarine and vegetable-oil products is a matter of our own self-protection and the perpetuation of our industry. This end warrants the most vigorous measures."

In commenting on the Kleberg bill in a report to his National Dairy Union, against which the government a year ago issued a "cease and desist" order on account of violation of federal law, Mr. Loomis said:

"The second fact which needs consideration is that this bill, if enacted as written, will not of itself effect any diminution in the amount of oleomargarine made and offered for sale in the United States. A careful survey shows, not only an ample supply of domestic materials, but such a large supply of all oil materials as to preclude any material changes upward in the price of fats used in oleomargarine."

Those of us who have followed the work of Lobbyist Loomis, and who know also many of the real leaders of the dairy-farmers, know that he does not represent the farmers, but rather the butter interests. A recent statement of his throws some further light on this:

"So far as our organization represents the state of mind of the butter industry," says Mr. Loomis, "we feel certain that at the present time we have the best oleomargarine law, for the purpose of safeguarding the interests of the butter industry, that has ever been placed on the statute-books. We believe we have secured for the butter industry, through forty years of persistent work, a protection which is of immeasurable value to us."

No, it is not foreign oils primarily against which Holman and Loomis are working. Their main drive is against margarine. Against foreign oils, yes; but also against your products and ours. And the consumers' interest—they, too, can go to hell. Monopoly never was known to possess any charitable attitude.

It is my belief, based on an intimate acquaintance with these gentlemen, their methods and their connections, that the time has come, in the interest of fair dealing and the continuity of amicable trade relations between the different states, thoroughly to expose their grossly unfair and un-American activities; to unmask them as alleged representatives of the real, honest dairy interests. Loomis and Holman are not representing the best thought and purpose of the dairymen. Primarily they are spokesmen of the butter-manufacturers. A comparatively few of these northern corporations now control over half of the factory-butter output in the United States. "The voice is Jacob's voice, but the hands are the hands of Esau."

Dairy Farmers Themselves Not Unfair

Moreover, on the basis of fair play and good Americanism, advocates of the Kleberg bill can logically expect the co-operation, or at least the acquiescence, of the dairy-farmers. In this anticipation I am differentiating, of course, between the good dairy-farmers themselves and the paid agents of the butter-manufacturers. We have an indication of what will be the reasonable attitude of the northern dairy-farmers toward the Kleberg bill and similar state legislation in the statements of John Brandt before committees of Congress about two years ago. Mr. Brandt is an outstanding leader of the best thought and purpose of the dairy-farmers. He is president of the largest farmer-controlled dairy co-operative in the world—Land O' Lakes, marketing annually the butter output —100,000,000 pounds—of 435 farmer-owned creameries in Wisconsin, Minnesota, and North Dakota. Here is his attitude:

"We do not want to be unfair to anybody who is producing a product in the United States. If it comes to taxing all margarines, that would be unfair to the peanut industry or cotton industry or any other industry in the United States. As I stated before, we do not object to any edible product made here in the United States from products produced here; but we do seriously object to having to compete with foreign oils and fats coming into this country today. We are anxious for the oleomargarine industry to use as much as may be possible of the domestic fats. I reiterate that our dairy co-operatives would prefer some scheme by which preference could be given to the domestic fats as against the foreign fats."

A Great Food Industry Practically Destroyed by Unfair Butter Lobby

There are two conclusions I have reached, after much study and a fair acquaintance with the economic and political factors involved in this margarine question, which I should like to state before this important gathering of live-stock producers.

First this: The closing of your outlets for beef fat, the closing of our outlets for cottonseed oil, and the failure in recent years of our manufacturers to furnish American consumers an adequate supply of a wholesome, nutritious table-spread, within the reach of their limited incomes, cannot be charged against foreign oils, nor against any unfair trade practices on the part of the margarine-makers. Last year, when possibly 40,000,000 of our people were unable to buy high-cost butter, and in most cases, inquiries indicate, actually went without any table-spread at all, only 127,000,000 pounds of coconut oil were used in making our total of 215,000,000 pounds of margarine.

Now, we in the South are working, as your organization is, to get the margarine concerns to shift 100 per cent to use of our surplus stocks of animal and vegetable fats, and I believe we are about to get this result, either through voluntary action on the part of the manufacturers or by legislative compulsion. We hope the latter will not be necessary. We already have too many taxes on food products. I repeat that we are working, as you are, to shift the production to domestic materials entirely.

But merely this will not solve our chief difficulty or remove our most formidable menace. The thing I want to say, with all possible emphasis, is that the forces which I choose to characterize as the butter lobby have succeeded in practically killing the margarine industry in this country. The consumption of this table-spread in this country is now less than two pounds a year per capita. Last year 44,000 retail dealers quit handling margarine. This is shown in the latest government report.

It is the impact of numerous legislative acts, including the unfair Brigham law, and of selfish organizational activi-

ties, largely directed out of Washington, that has practically destroyed this essential food industry. It will be vastly easier, it seems to me, to get margarine production back on a basis of domestic materials than to disillusion and re-educate the public with respect to the propaganda and false economy that have been scattered over this country, the past decade or more, by the butter lobby. This is our biggest task.

South and West Advocate, Not Less Butter, but More Margarine

When this has been done, which can and must be done, and legislative barriers have been removed, we can expect an annual production and consumption of at least a billion pounds of margarine. Such production will absorb our surplus stocks of domestic fats and oils, and make a market for large quantities of milk, without having any tendency, I believe, to reduce the present annual production of two billion pounds of factory and farm-churned butter. A billion pounds of margarine in this country would mean only a little more than 8 pounds per capita. Last year we consumed 1¾ pounds. European consumers are large users of margarine—in Denmark, 45 pounds per capita; in Norway, 34; in the Netherlands, 19; in Germany, 17.

Butter and margarine compete, if they can be said to compete at all, on two quite different price-levels. For example, while in Chicago this week, I checked up on the domestic materials that go into margarines, and found the prices of oleo oil and cottonseed oil to average slightly less than 5 cents a pound, delivered at the plants, as compared with butter-fat at 21 cents, f. o. b. Chicago creameries.

My second conclusion I need only mention. I have already discussed it. I refer again to the encouraging fact that the cattle-raisers of the West and the cotton-growers of the South, in their fight to defend and extend their market outlets, can expect the active co-operation of organized labor and of those who represent consumers and the social agencies—yes, and the support of the organized grocers.

My closing statement is a word of appeal to you heroic and strong men of the West to join us of the South, and the agencies representing distributors and consumers. Let us not yield or relax our united and militant efforts until open markets everywhere have been restored. Our cause is right. It is economically and socially sound. The monopoly program of the butter lobby is unsound, uneconomical, unfair, un-American, and grossly discriminatory.

For the sake, first, of all the millions of unemployed, and other millions of American citizens and American homes without the means of buying the more expensive table-spreads, and also for the sake of millions of American producers of animal and vegetable fats, for God's sake, let us take a vigorous hold of this problem and see it through! Let us press our defensive fight until we have completely de-bogey-ized the presumptuous butter lobby and relegated it to a status of innocuous desuetude!

United, the South and West, allied with the American Federation of Labor and the numerous other social workers, *can do this thing.*

Compulsory Wheat Pool for New Zealand

A compulsory wheat pool is to be established in New Zealand, designed to maintain the average value of wheat at 4 shillings 5 pence a bushel ($1.06 at par) for home consumption and half a crown (60 cents) for export. A Wheat Purchase Board is to be established, to control all dealings in wheat. The pool will be financed by the government.

THE INTERNATIONAL MEAT TRADE*

BY W. W. SHOEMAKER

Vice-President, Armour & Company, Chicago, Illinois

THE INVITATION OF YOUR SECRETARY, MR. MOLLIN, requesting me to appear before the annual convention of the American National Live Stock Association, was a most welcome one. It offers me an opportunity to meet men who have been operating in my own business, but in sections of the country widely separated from mine. My entire life has been devoted to that end of the packing business farthest removed from the producer. I have always been connected with the selling side of the industry, and, to make my contacts still more remote, I have for some time been identified with the export trade and foreign markets. It is, therefore, a matter of great satisfaction for me to have this opportunity of discussing some of the world aspects of the live-stock and meat business with you.

Trend of World Production

Most of us are familiar with the general movements in cattle production in this country—especially the marked increase during the war period, the downward swing and the liquidation during 1920 to 1928, the high prices of 1928, and the increasing cattle population from that time forward. In Europe there has been an entirely different trend over the past twenty years, largely on account of the abnormal situation brought about by the World War. During the early part of the period in which *our* cattle were increasing, the cattle of European countries were decreasing rapidly. The ratification of the peace treaty changed this trend; for since then their numbers have risen annually, and the cattle population of that continent is now approximately equal to that of 1914. In other words, while we were liquidating from 1920 to 1928, they were building up their herds, and now that we have again assumed the upward movement for four or five years, they have continued their increase.

Europe has not augmented her cattle production alone, however; for her hog production in several regions, such as Denmark and the Baltic states, actually exceeds pre-war figures. On the other hand, her sheep production has not increased importantly and is still somewhat below the pre-war level. Concurrently, the United States and Canada are producing hogs in excess of domestic requirements, at a rate which more than absorbs any portion of European purchasing power that remains after buying their own production. In fact, the export pork, bacon, and lard trade of North America is relatively at a standstill. The year 1931 saw only 7 per cent of the pork and lard produced in the United States finding an outlet in foreign markets, while during the first five years following the war the average export volume was between 16 and 17 per cent.

The Southern Hemisphere—especially Australia and South Africa—have larger sheep populations than at any other time in their history. Their production did not decrease with the war, and, in comparison with 1914, Australia shows 25,000,000 more sheep, New Zealand 5,000,000 more, and South Africa 18,000,000 more—an increase equivalent to the normal sheep population of this country. Just at present the Argentinian sheep population rather closely balances that of 1914; but it is fortunate that the last two years have shown a slight reduction there; else the surplus meat situation, brought about as

* Address delivered at the annual convention of the American National Live Stock Association in Ogden, Utah, January 12-14, 1933.

a result of the restricted outlet for her beef exports, would be completely intolerable.

Cattle numbers throughout the rest of the world have changed decidedly in comparison with the cattle population of this country:

Years	Cattle Population					Exports of Beef from U. S. in % of Total Domestic Production
	U. S. (000)	Europe* (000)	Other C'ntries† (000)	%Europe of U. S.	% Other of U. S.	
1914	58,737	57,521	51,465	97.9	87.6	2.7 (imports)
Avg. 1916-20	69,548	52,723	57,174	75.8	82.2	4.1
Avg. 1921-25	69,725	53,462	70,657	80.1	105.9	0.2
Avg. 1926-30	58,363	56,567	67,641	96.9	115.9	0.9 (imports)
1930	59,730	57,175	66,617	95.7	111.5	0.4 (imports)
1931	60,915	57,735	....	94.8	....	0.1

* The European countries include United Kingdom, France, Germany, Denmark, Belgium, and Italy.

† "Other countries" include Canada, New Zealand, Australia, Union of South Africa, and Argentina.

We have about 2,000,000 more head than in 1914, with our cattle population now far more productive of animals for annual slaughter, while Europe has again equaled her pre-war cattle herds.

In 1914 the principal European countries, exclusive of Russia, had about 98 per cent as many cattle as the United States, while today they have 95 per cent as many—not due to *fewer* cattle over *there*, but to *more* cattle *here*. Meanwhile "other countries"—the great surplus-producing cattle nations of Canada, Argentina, Australia, New Zealand, and South Africa—have jumped from 87 to 112 per cent of our cattle population. If in pre-war days there was only a restricted European demand for beef felt in this country, none remains today, and the marked increase of cattle production to the south of the Equator removes any prospect of such a desirable opportunity for several decades to come.

Pork Exports and Domestic Beef Market

But the European market for beef was of only minor importance to the cattlemen of this country even thirty or forty years ago. The important factor was the European market for pork. Beef and pork have always been directly competitive in the United States, one substituting for the other as the staple meat of the diet, almost entirely on a price basis. When the domestic market for either meat became unsatisfactory, it was always possible to reduce the pressure on the American consumer by consigning greater quantities of pork abroad.

Today we face a different situation. The accumulating supplies of cattle in the feed-lots and the recently weakening prices of beef have not been due either to larger cattle receipts or to abnormal prices for beef, but rather to the undermining of the demand for beef by the growing storage and diminishing exports of pork, and by the prospects of greater tonnage from the winter hog runs. Markets that could formerly be relieved by exports are now completely inactive and stagnant.

United States Packers Enter Argentina

My association with the packing business started approximately thirty years ago, and at that time we were still exporting chilled beef and frozen mutton to Great Britain. There was also some trade in live cattle, which were shipped to England and slaughtered there to serve that portion of the trade which insisted upon fresh rather than chilled meat. Even as far back as thirty years ago it was obvious that the United States would be eliminated entirely from this division of the English meat trade.

During the period between 1900 and 1904 there was a noticeable increase in the activity of South American shippers. At that time there was one small English company operating in the Argentine, and some new companies were organized in that country to enter the trade. These Argentinian companies were not very successful, and during the next four or five years American packers entered that field by buying some of the packing-houses from companies which had failed. This move was stimulated by the fact that the beef from Argentina was so much more cheaply produced than that of the United States that we faced the prospect of complete loss of our British clients and customers if we continued to handle our domestic beef only. Furthermore, we needed these customers to consume our American exports of pork.

Argentina as a Beef-Producing Country

Argentina stands in the predominant position in the world beef trade today because of her peculiarly favorable conditions for production. Among all the beef-producing countries there is non capable of producing so large a surplus at so low a cost. Argentina has all the advantages of climate and soil. Cattle can be raised and fattened without shelter and without winter feeding, either of grain or of other rations. It is a year-round grazing country, with a soil which is almost perfectly adapted to the growth of alfalfa. Because of this, Argentina can produce far more beef on a given area of land than can be produced on the same area if sown to native grasses. For the most part, cattle are reared on these grasses and finished on the alfalfa.

Another factor in Argentine beef production is the attention given to improving the beef quality in cattle. A half-century ago Argentinian breeders were buying the best Shorthorns in Scotland and England, and they have continued ever since to pay the highest prices for the best blood of the British beef breeds. During the past twenty-five years the efforts for better breeding have been especially strong. As a result of this continued introduction of purebred stock, the average age of cattle marketed has been reduced by more than a year since the opening of the century. Consequently the herds of the Argentine are much more productive today than thirty years ago, because they have a higher proportion of breeding animals and a lower proportion of maturing steers.

Data on the cattle population of Argentina are not too reliable. The "Yearbook" of the Department of Agriculture shows 30,000,000 head in 1901, while the census of 1908 showed 29,117,000 head. During the intervening years until 1912 the numbers decreased slightly, but the census of 1912 showed approximately the same as 1908—namely, 29,016,000. Just as the war opened, the estimates showed about 31,000,000 head, but there was an immediate marketing of nearly 5,000,000 more animals than normal, so that from 1915 through 1921 the recovery was so gradual that the estimate of 1922 showed 28,138,000 head.

At this time something peculiar happened in the Argentinian statistics; for the figure for December 31, 1922—or the opening of 1923—was 37,065,000 head; a jump of more than 30 per cent in a single year. This was so much larger a change than has occurred at any other time in the history of that country that it makes the correctness of the war and early post-war figures seem questionable. After this high point of production, the numbers decreased to 30,000,000 in 1927, and they have fluctuated between 32,000,000 and 34,000,000 head ever since.

Development of Frigorificos

Perhaps the story of the export trade would be more illuminating. Statistics of Argentinian beef exports begin in

1884, when 112 quarters of frozen beef, or slightly over 50,000 pounds, were exported. This volume increased gradually year by year, with varying degrees of fluctuations, until in 1900 approximately 30,000,000 pounds were exported.

At that time the steamers carrying beef from the Argentine to England were not running on a very fast schedule, so that it was difficult to deliver other than frozen beef in the English markets. Coincident with the entrance of United States packers into South America, the British steamship lines built better steamers and organized faster service, so that it was not long until the running time between the River Plate and the English ports was reduced to a basis whereby first-class chilled beef could be delivered to the British buyer.

The year 1901 marked the beginning of the chilled-beef movement. It grew rapidly, so that just before the war it slightly exceeded the frozen-beef trade, the total export being about 533,000,000 pounds. Our business likewise continued to expand normally from that time until 1914. More packing-houses were being completed just as the war started, and there was a ready outlet for all the beef and mutton that could be supplied.

The peak of the export beef business was reached in 1927, when more than 703,000,000 pounds of chilled and frozen beef left Argentina. By 1929 this had dropped to 490,000,000 pounds, although during the entire period following the war the export of canned and cured beef fluctuated around 70,000,000 pounds annually, sometimes getting as high as 72,000,000 and sometimes dropping to around 68,000,000.

This drop-off in the exportation of beef can be measured better by a study of the kill in the Argentinian packing-houses. In 1928 over 2,800,000 head were slaughtered, while in 1931 something less than 2,300,000 head were slaughtered, and the records so far for 1932 (ten months) show a decrease of 6½ per cent under 1931.

International Meat Trade during War

During the war the element of time became increasingly important, and the United States, under this influence, suddenly became a highly available source of supply for the beef requirements of the armies. You all remember the tremendous expansion which occurred in our cattle production during the war, even continuing after peace was declared. Not only was the running time between the United States and English or French ports much shorter than from Australia or South America, but so many boats had been sunk by submarines, and so many others were requisitioned for transporting troops, that the allied countries were forced to buy as much of their beef as possible from the nearest source of supply. Furthermore, they always felt the necessity of having more beef afloat than they actually had need for, because it was necessary to anticipate that a certain number of boats would be sunk. All these circumstances contributed to the great expansion of the European beef demand.

The war ended rather suddenly, and the surplus of cattle that was in this country nearly submerged the market during the period following the declaration of peace. For a few years subsequent to the end of the war there continued to be quite a large demand, both in England and in the continental markets, for imported beef, because the beef herds had been seriously depleted during the war, and the peoples of those countries were meat-hungry. However, South America and Australia were able to control most of this business because of their lower live-animal costs, and our cattle herds in this country have gradually been reduced to a basis of normal domestic requirements.

The truth of the matter is that the markets of the world are gradually closing to the surplus meat-producing nations. The post-war development of meat production in Europe was founded on the bitter experience of food shortage during the war. Anyone who visited the European countries after the armistice could not help but observe the terrible effects of food deprivation—the sugar shortage in France, the fat shortage in Germany, and the deficiency of all foods in England. Memories of this period explain readily why nearly every European nation, regardless of whether it was a combatant or non-combatant, has adopted a definite program of building up national food production as a matter of national policy. But the attempts to obtain security are not being limited to food supplies. Every other national necessity is being built up at the same time.

Debts and Production

The nations of Europe are in the same situation in which the majority of stockmen and farmers find themselves. They are saddled with enormous indebtedness in comparison with their wealth. Their natural method of meeting their indebtedness is the same one that is normally used by the stockman and farmer—namely, to increase production. I do not need to refer to the situation in coal, steel, iron, manufactures, etc.; for in the live-stock industry of each nation the same principles apply.

The first move in debt settlement which an individual makes is to provide as great a stock of marketable products—in your case live stock—as can be brought forth. If that product brings less than it cost to produce (and that has been the situation for the producer of surplus hogs in the United States, surplus lambs in New Zealand, surplus cattle in the Argentine, and surplus wheat everywhere), the second step is to produce more necessities and deny oneself more luxuries, so that the little cash realizable can be applied on the debt.

This policy has been intensified and strengthened among nations because of the demand for national self-sufficiency. Under the burden of debt, all nations have gradually ceased to be buyers, and all have tried to become sellers.

Following the credit inflation culminating in 1929, are we not all individually in the same situation? Are not you gentlemen struggling to pay off too liberal loans on your live stock made when credit was too free? Is not the farmer of the Corn Belt, or of the South, wrestling with farm mortgages, in many cases on valuations far in excess of possible returns, even if crops were priced 50 per cent above the current level? Is not the city-dweller still suffering from absurd loans on stocks and bonds, on city real estate, or from instalment buying?

We are all, individually or nationally, doing the same thing. Under the stimulus of indebtedness, we are producing as much as possible of that thing we can produce best; and, on the side, we are trying to satisfy our requirements as best we can, so we need spend no money on the other fellow.

But, in contrast to the individual citizen, nations may control the influx of commodities competing with their producers. So can John Doe, a cattleman of Brigham, keep the cattle of Richard Roe, from Pocatello, off his place. But they both meet in competition in Ogden. And so do these nations meet in competition whenever they leave their own boundaries to seek the markets of the world.

Hence it is futile to indulge in the prevalent arguments as to who started trade restrictions and who made the reprisals. The world faces a condition of national trade barriers, and, as matters stand today, the first man to take down his fence will be the first man to let the neighbor's cattle into his corn.

Trade Restrictions

Further development of barriers only intensifies the situation. In France, Belgium, and Italy we face such tariffs that our products are virtually excluded. In Great Britain we are permitted to supply only 17½ per cent of her pork imports, while allotments to the dominions gradually increase; and we face further restrictions. In Germany we are permitted to exchange only a limited number of marks into dollars, and if we sell more pork and lard there, either the money must remain in Germany or the transaction must be at prices sufficiently lower to keep within the allotted number of marks. Present indications are that Germany plans further control of her fat imports, which will reduce our market for lard and oleo oils still more.

During the last five or six years the constant rebuilding of the cattle supply in Europe has left very few markets for imported beef outside of England. Some three years ago Germany stopped all importation of frozen beef by means of a very high tariff, and since that time France and Belgium have gone on a quota basis, which has greatly diminished their imports. Italy has also put into effect a high tariff—a very important step, since before the war Italy was the only market outside of England which took any important quantity of foreign beef.

As Italy, Germany, and other countries have cut off or reduced their importations of chilled and frozen beef, the situation of the Argentinian cattleman has gone from bad to worse. In fact, just at present his beef steers are selling at 1 to 2 cents per pound in our money. But his situation has recently been aggravated still further because Great Britain, through control of imports, is trying to hold the price of beef in her domestic markets above a certain minimum. This price is high enough to exclude a large number of British purchasers who formerly depended on Argentinian beef, and, while it is not so high that it completely restricts consumption to British-grown, non-refrigerated beef (for which the highest level of prices is paid), it reduces the outlet for Argentinian beef.

As it now stands, beef imported to reach the mid-week or week-end market must be carried over to the following week, and, until the flow from South America can be adjusted, a portion of Argentinian beef will carry an additional loss of bloom before it goes into consumption. In fact, it appears that the restriction is going to be so great that only a portion of the refrigerator space available from Buenos Aires to Britain will be required for the business.

Unfortunately, the South American countries have not reduced their cattle production in line with the diminished outlets in Europe, so that today they are overstocked with cattle. The cattlemen of the Argentine are not only dissatisfied with the price they have to take for their cattle, but they have a surplus which they cannot sell at any price, because of the many barriers that have been set up in the various European countries. Can one criticize the Argentinian beef-producers for being desperate?

Heavy Mutton Supplies in England

The beef situation in Great Britain is aggravated also by the heavy supplies of mutton and lamb. Just as Canada is getting help from the parent country on her surplus of hogs, so is New Zealand getting assistance on her surplus of lambs. Fifty years ago, in 1882, the initial shipment of New Zealand lambs started for Great Britain, and at the close of the year over 1,700,000 pounds had moved out, at a value of approximately $95,000. Year by year the movement has increased, with slight reductions in shipments during the war, which resulted in accumulations for marketing in 1920-22, and by 1931, 463,500,000 pounds were exported, at a value of approximately $44,000,000.

Just as beef and pork are interchangeable in our diet, so are beef and mutton interchangeable to the Britisher, and this pressure of New Zealand lamb has been one of the influences bearing down still more heavily on the Argentinian producer. Under these circumstances, it should not surprise the American cattlemen if Argentina continues her efforts to enter our domestic markets.

International Hog Surplus

For several years following the war we had a very broad market in Europe for United States pork products—a very valuable market, since we are the biggest, and should be the lowest-cost, hog-producing country in the world. As already mentioned, however, the herds of swine in Europe have increased very rapidly, and last year the United States exported only 7 per cent of its hog products. This is a tremendous decline from the peak—much lower than it has been at any time for the last twenty-five or thirty years.

Denmark has more than doubled her hog production as compared with pre-war days, and her situation with regard to hogs is very unique. The population of Denmark is about 3,500,000, and they have close to 5,000,000 hogs. In other words, for every 100 people in Denmark there are over 140 hogs.

The Danes have studied the British taste in bacon, and have bred a firm-fleshed, long type of hog which is especially suited for the lean bacon that the British people prefer. The Danes actually dominate the British cured-meat business at the present time, while Poland, Holland, Sweden, and some of the smaller countries are increasing their hog production each year. Except as the new quotas may affect it, most of this surplus seems certain to go to the British markets.

Governmental Aid to British Producer

I have already referred to the restrictions on beef imports into Great Britain, and the establishment of quotas on pork and mutton. The results of the tremendous supplies of cheap pork from North America and Europe, cheap beef from South America, and cheap mutton from New Zealand and Australia have been very disastrous to the British producer of live stock. He cannot expand his activities in the face of foreign competition. Hence the British government is now establishing quota restrictions on the imports of all kinds of meat from sources outside of the empire.

The objective of the government has been openly announced by members of Parliament and other government officials as an effort to raise the price of meat in England to a basis that will permit the English producer to expand his activities profitably, and in that way to create a higher purchasing power in the rural regions of the United Kingdom. This measure is an experiment, and it is only just starting. There is great opposition to it in the cities of England, but the present government seems determined to give it a thorough trial. In the mantime, the international meat trade of the world continues to be greatly complicated.

British Empire Conference

While my discussion so far has dealt with the immediate aspects of trade restrictions on American and Argentinian production, there are apparently a number of factors of a broader economic nature which are involved in the decisions of the British Empire Conference at Ottawa last summer. Many international experts regard it as a prelude to a world

economic conference at which problems similar to those discussed on an empire scale will be rediscussed on a world scale. Some of the most important problems, like monetary reform and commodity-price levels, can be solved only on a world basis, and Ottawa indicates the policy which the British Empire will probably pursue.

It now seems obvious that the British Empire in general is committed to a protectionist tariff policy. The last stronghold of free trade has apparently fallen. The agreements reached between the members of the empire run for five years, and they provide for the existence of the British tariff for the same length of time. Any tariff which exists for five years creates so many interests utterly dependent upon it that its ultimate repeal seems impossible.

But a recent writer on the Ottawa conference, O. D. Tolischus, believes that the British tariff has a far broader objective than the mere protection of British industries or the home market. He believes it to be designed to foster trade and not to blight it, and thinks that it may become a battering-ram against the tariffs of other nations.

The first principle of the British tariff is reciprocity. Great Britain grants the dominions preferences for their products, against similar preferences for products of British manufacture.

Some World Benefits from Ottawa Conference

To the world in general, two considerations resulting from this conference are of great importance. The first is that among one-fourth of the human race, the British Empire, mutual restrictions have been reduced, instead of increased, as is the fashion elsewhere. In this quarter of the world, therefore, trade may be expected to flow more freely; and if the world needs anything today, it is relief from its present trade stagnation.

The second consideration is that the Ottawa agreements provide the first attempt to slow down further expansion of the world's industrial machinery, and to restore a more normal exchange of goods between the manufacturing countries and those producing raw materials. In the future, members of the British Empire will apparently try no hothouse forcing of all sorts of industries that possess no natural advantages or add to the national economy of the respective countries. Members of the British Empire are now pledged not to resort to the policy of industrial self-sufficiency, which is ruining central Europe. The Ottawa agreements should direct the natural industrial development of the dominions into the channels of economic sanity, since they withhold protection of "infant industries" which are obviously unsuited to each dominion, or which are unable to compete with existing British manufactures in the absence of abnormal tariff walls.

Extension of Agreements Outside British Empire

The British seem to appreciate a fact which America apparently ignores—namely, that international trade is an exchange of goods or services, and that in order to sell abroad one must also buy abroad. Furthermore, they seem to realize that the bulk of international debts, or of interest on foreign investments, can be paid only in goods or services. For that reason, similar reciprocity agreements with respect to tariffs are being sought with other countries—particularly those which have been buying British goods or which owe Britain money. The first to be approached with reciprocity agreements are the Scandinavian and South American countries, but there seems to be little doubt that Britain will ultimately negotiate with France and other European countries now engaged in the practice of tariff-raising. Negotiations with the Argentine, where Britain has invested some two billion dollars, are also in course of progress.

One of the most serious problems to be faced in extending agreements beyond the empire is to reserve and protect the trade allotted the dominions. Already some uneasiness exists on this subject in certain quarters, but world trade has shrunk to such small proportions of its former total that almost unlimited opportunity for expansion exists. *Anyhow, an increase in trade with one country need not mean a decrease in the trade with another.*

Indirect Effects on United States from Ottawa Conference

The American view of the Empire Conference has been somewhat confused by attempting to determine what America will lose as a result of the mutual preferences created for members of the British Empire. This loss has been estimated at between $75,000,000 and $300,000,000 a year, chiefly in exports of steel, coal, textiles, electrical supplies, automobiles, machinery, and, above all, wheat, pork, raw cotton, and tobacco. These figures are based, of course, on the persistent idea that international trade is a fixed quantity, and that what one country gains another must necessarily lose. This fallacy has often been exploded, but the idea persists nevertheless. If the Ottawa conference should contribute toward the economic recovery of the British Empire, American trade will undoubtedly gain more through the general increase in world business than it could possibly lose through the mutual tariff preferences created within the empire.

As a matter of fact, America's exports have been reduced not so much by foreign tariffs as by the inability of the world to make payments in gold—the only form which America is able to accept without direct domestic damage. More than one-third of the world's gold supply has already come to America in settlement of debts, while another third cannot contribute materially to world commerce because of its concentration in France, which latter country is only a minor factor in international trade. The amount, therefore, which remains for the rest of the world to use in purchase of American goods is very limited, especially since much of it must be reserved for the payment of debts to America, or in payment of interest on American investments abroad.

As an illustration of the effect of gold payments on the reduction of our foreign trade, American exports to Great Britain slumped from over a billion dollars in 1925 to less than a half billion in 1931. If America could recapture even a part of that trade, it would more than compensate for any loss due to the Ottawa agreements. And if America could provide other means or methods of international payment, there would be no limit to the expansion of her foreign trade. Such means or methods would undoubtedly require the purchase of more foreign goods; but today the purchase of foreign goods is practically prohibited by our tariff.

Yet I cannot agree with those who would have the United States lead the world by example, whether it be disarmament or reduction of the tariff. We, as a nation, could not survive the transfer of our domestic purchasing power to foreign producers. One-third to one-half of our citizenship would be dispossessed and ruined.

We are, indeed, between the horns of the dilemma. The industries and financial institutions of this country cannot survive if the former cannot sell and the latter cannot receive payment on the loans made by them to foreign governments and industries. Still more important is the fact that world civilization cannot continue if every nation crawls into a hermetically sealed compartment and tries to keep all others out. No greater economic truth was ever enunciated than in the Parable of the Talents, wherein the one servant hid his

talent in the ground and denied it circulation in the promotion of business.

Apparently the only ray of hope in meeting the future is the method of rational joint agreements for stimulating business. There are only three methods by which an obligation may be satisfied or a debt be settled—by a payment of money, goods, or labor. When money (gold) is insufficient for world needs, when a surplus of labor exists in the creditor nations, and no nation can work profitably for another, the only remedy for our economic inequalities is the exchange of goods.

How far it would really be to the advantage of America to promote exports through the exchange of goods is a matter for practical consideration. Their effect on the domestic market and American financial structure would require the closest scrutiny. I may be prejudiced because of my position in foreign trade, but I cannot see the national advantage in our dropping over half a billion dollars in trade with Britain, for example, to prevent the influx of a few million dollars of manufactured products—products which would compete with certain of our industries that are now practically idle. I use this British example because I have already referred to it, but the same point could be made with every other nation whose trade with us has diminished. Unless this strain of payment in gold is eased, it is difficult to see how American exports can be expanded, irrespective of all tariffs. Without expansion of American exports, I do not see how even a partially satisfactory solution of our agricultural, industrial, and unemployment problems is possible.

Exports Must Be Restored

We once thought America to be independent of the rest of the world. Perhaps she is. But she can never be self-contained domestically to the satisfaction of her producers of raw materials, her manufacturers, and her agencies of commerce, because they have become adjusted to far greater business than our domestic market affords. The foundation of civilization is the consumption of a maximum variety of products by each person, and the foundation of this consumption is trade. If I barricade myself in the Arctic, and shut out world supplies and conveniences, I must live on a lower level than the present-day natives, who maintain limited contacts and trade with the outside world. America and the other nations of the world have set up similar barricades, and they refuse to admit their neighbors' natural products and services in exchange for those of which they normally have a surplus. Unemployment, and the real want which a large percentage of the industrial peoples face, exist because each nation is denying itself the commodities and services of its colleagues.

The life-blood of American business will never circulate freely until the production pressure in each nation becomes more nearly equalized and trade once more moves freely across our boundaries. Under present policies, circulation cannot start. T ie leader who will revive us will be the statesman who nego..ates a pathway that our commerce can travel. If we cannot devise means whereby we can receive payments from other nations in forms other than gold, we shall have to continue to restrict our farm production, restrict our industries, and shrink ourselves down to our domestic market. But I cannot concede this necessity. I cannot acknowledge this dearth of national leadership. If American foreign trade is entirely destroyed, I can only believe that it will be so treated because we shall wilfully kill it ourselves.

"I think THE PRODUCER is a great paper for stockmen."—CHARLES LONG, Sheridan, Wyo.

A NEW ERA IN BEEF PRODUCTION*

BY E. J. MAYNARD

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FREE RANGE IS GONE. COSTS OF CATTLE PRODUCTION have been steadily increasing. The narrow spread between feeder and fat cattle can be expected to continue.

In short, the survival of each individual cattle-grower will depend on his ability to increase the efficiency of his operations to the point where he can weather the storm. It will be a survival of the fittest, based on supply and demand.

A knowledge of relative feed values is imperative these days. Because of the advances made in the study of animal nutrition, the cattleman needs to have a general knowledge of the fundamentals of this science. In an attempt at more efficient beef production, cattlemen may find much of benefit in results of nutritional studies at western experiment stations in recent years.

Science with practice, or the practical adaptation of scientific findings, should be of interest to progressive cattlemen of the entire West. The following is a brief discussion of some of the more salient points evident to a modern-day student of nutrition:

1. Beef calves born in the spring and weaned by the first of the following year can no longer be suffered to lose weight during their first winter on the ranch. Extensive experiments in Nebraska, Colorado, Montana, and elsewhere indicate that these calves should be made to gain approximately one pound per head per day during the winter feeding period. This can be accomplished in numerous ways, depending on the feeds available.

With wild or native hay, the use of three-fourths of a pound of cottonseed cake, two pounds of oats, or about three pounds of alfalfa hay per head daily should turn the trick. If the calf gains more than one pound daily, the value of the extra feed supplied is liable to be lost in the lowering of the cheaper gains secured during the summer grazing period.

The success of the trench silo has been phenomenal throughout the intermountain area. In many instances corn silage is worth as much as, or more than, alfalfa hay per ton, due to its ability to balance a ration of straight alfalfa hay. Its high value, when used with the protein hay, is somewhat comparable to the value of air when mixed in the carburetor of a car with raw gasoline. The air and the silage do not have the actual fuel value shown, but, in correct combination, they make the gasoline or alfalfa, as the case may be, so much more efficient that their value is enhanced.

TABLE I

VALUE OF CORN SILAGE

Balanced vs. Unbalanced Ration

(Average of Three Forty-Day Trials with Two-Year-Old Steers, Colorado Agricultural College)

	Lot 1	Lot 2
Daily feed (lbs.)	Alfalfa 27	Alfalfa 11 Corn silage 32
Daily gain (lbs.)	1	1.7
Feed needed for 100 lbs. gain (lbs.):		
Alfalfa	2,837	667
Corn silage	-------	1,908
Feed cost per cwt. gain (lbs.)*	$8.51	$4.86

2,000 lbs. corn silage = 2,274 lbs. alfalfa.

*Alfalfa, $6; corn silage, $3.

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*Address delivered at the convention of the American National Live Stock Association in Ogden, Utah, January 12-14, 1933.

TABLE III

SUMMARY OF STEER-FEEDING TEST AT UTAH AGRICULTURAL COLLEGE

Eight Steers per Lot Fed 100 Days

Lot No.	1	2	3	4	5
Ration fed (lbs.):					
Pressed beet-pulp	56	67	77	62	50
Beet molasses	3	3	3	3	3
Alfalfa	10	10	10	10	10
Supplement	None	Cotton cake 2	Steamed bone meal 0.1	Mill-run bran 3	Ground barley 4
Salt	0.12	0.09	0.06	0.06	0.06
Weight of steer at start (lbs.)	768	768	765	764	764
Final weight feed-lot (lbs.)	877	981	987	988	952
Total gain (100 days—lbs.)	109	213	222	224	188
Feed for cwt. gain (lbs.):					
Pressed pulp	5,106	3,147	3,496	2,754	2,647
Beet molasses	290	149	143	142	168
Alfalfa	883	453	436	432	514
Supplement	None	Cotton cake 87	Steamed bone meal 4	Mill-run bran 126	Ground barley 215
Salt					
Feed cost per cwt. gain*	$9.85	$6.88	$5.90	$6.08	$7.33

*Feed prices per ton: pressed pulp, $2; cotton cake, $30; beet molasses, $8; steamed bone meal, $40; alfalfa, $8; mill-run bran, $16; salt, $10; ground barley, $18.

The results shown in Table I serve to demonstrate this point clearly. They are corroborated by results secured at the Oregon station (Bulletins 174-193), where immature corn silage, added to alfalfa hay, doubled the gain on two-year-old steers, and showed a greater feed replacement value for silage than for alfalfa, pound for pound.

So much for the value of a balanced ration—one containing proper amounts of both protein and carbohydrate—over an unbalanced ration of alfalfa or wild hay alone.

2. Beef cattle should have a balanced ration from birth for most efficient gains. Silage is still a valuable feed when added to a grain and alfalfa ration, but its replacement value is lower when added to the already balanced ration.

Table II indicates its value at 65 per cent that of alfalfa under such conditions:

TABLE II

VALUE OF CORN SILAGE

As Succulent Carbonaceous Supplement to Alfalfa and Barley, Fed to 760-Pound Steers

	Lot 1	Lot 2
Daily ration (lbs.)	Barley 12 Alfalfa 15	Barley 12 Alfalfa 8 Corn silage 18
Daily gain (lbs.)	1.8	2
Feed needed for 100 lbs. gain (lbs.):		
Barley	653	581
Alfalfa	560	398
Corn silage	......	893
Feed cost per cwt. gain*	$5.85	$5.44

Silage fed steers brought 45 cents per cwt. more at market.

2,000 lbs. silage = 162 lbs. barley $0.81

1,034 lbs. alfalfa 3.10

$3.91

* Feed price used (per ton): barley, $10; alfalfa, $6; silage, $3.

There are possibilities for improving beef-cattle rations today by the addition of phosphorus, but only where a phosphorus deficiency exists.

As in the case of sugar-beets and other crops, an adequate supply of phosphorus is essential to the well-being of animals. Often it is lacking both on the range and in the feed-lot.

3. A recent steer-feeding test conducted at the Utah Agricultural College serves to indicate the lack of phosphorus in sugar-beet by-product rations, and means for supplying this deficiency through the use of supplements high in phosphorus, such as cottonseed meal, steamed bone meal, and wheat bran. Table III gives a summary of this test. Cattlemen who will scrutinize their rations well may be able to save hundreds, or even thousands, of dollars by remedying simple deficiencies that have developed on ranges and in feed-lot rations of the West.

COLORADO STOCK-GROWERS IN CONFERENCE

HAVING MOVED THE DATE OF ITS REGULAR ANnual convention back to the midsummer season, the Colorado Stock Growers' and Feeders' Association, traditionally meeting at Denver during stock-show week, now switches things around and denominates this gathering its "mid-winter conference." On January 19, members of the organization, after listening to a full presentation by L. M. Pexton, traffic manager of the Denver Union Stock Yards Company, of the facts in the sale-in-transit case, put themselves on record as unanimously approving the course pursued by the Stock Yards Company and the Denver Live Stock Exchange in the hearings now being held by the Interstate Commerce Commission. Other resolutions—

Protested against bill introduced in Colorado Legislature for abolition of Board of Stock Inspection Commissioners;

Opposed domestic-allotment plan, now before Congress, as it applies to hogs, on ground of impossibility of passing processors' tax on to consumer, with consequent depression of market;

Requested continuance of 50 per cent cut in grazing fees on national forests during 1933;

Recommended 15 per cent reduction in salaries of all county officials;

Favored extension to two years of leniency period on property redemption following delinquency in payment of taxes;

Opposed taxation of live stock for control of predatory animals;

Indorsed bill in Congress providing that only home-grown live-stock products may be bought by government for military and naval forces;

Decried attempts of railroads to eliminate truck competition;

Appreciated reduction in rates made by Denver Union Stock Yards Company;

Urged maintenance of present import duties on live stock and meats, but increase in tariff on hides to 6 cents a pound on green hides;

Favored tax of 10 cents a pound on oleomargarine not manufactured exclusively from domestic fats and oils;

Commended Bureau of Animal Industry for conducting tests at packing-houses to determine practicability of using post-mortem records as basis for accreditation of range cattle as tuberculosis-free;

Supported bill to legalize pari-mutuel betting on horse races in Colorado;

Expressed appreciation of services rendered by Senators Carey and Steiwer in establishment of agricultural credit corporations;

Thanked board of Reconstruction Finance Corporation for industry shown in handling live-stock loans in Denver.

The annual meeting of the association will be held at Buena Vista some time in June.

MEETINGS OF LOCAL COLORADO ORGANIZATIONS

AT THE ANNUAL MEETING OF THE UNCOMPAHGRE Cattle and Horse Growers' Association at Montrose, Colorado, last month, the subjects of forest fees, freight rates, transportation service, and control of weeds were discussed. With one opposing vote, the abolition of the office of county agent was recommended.

Verdie Hotchkiss was re-elected president, Donald Galloway vice-president, and Patricio Stealey secretary.

* * *

The Grand Mesa Live Stock Association, composed of stockmen using the Holy Cross and White River National Forests, meeting recently, in a strong resolution urged Secretary Hyde to continue the 50 per cent reduction in grazing fees for another year. A maximum valuation of $12.50 per head on range cattle was asked.

John L. Heuschkel was elected president, Horace Haff vice-president, and A. J. Dixon secretary.

* * *

In a resolution adopted at its recent annual meeting, the Gunnison County Stock Growers' Association condemned the code bill, now before the Colorado Legislature, providing that the Stock Inspection Board be placed under the Department of Animal Husbandry. It was contended that the stock-inspection work is supported by the cattlemen up to about 70 per cent of its administrative cost. Recommendation was made that a value of $12.50 be placed on range cattle for assessment purposes in 1933, with no changes in the value of bulls, purebred stock, or land.

* * *

Neal B. Johnson, of Molena, was re-elected president of District No. 1 Live Stock Association at the annual meeting held at Mesa early last month. R. C. Woodring, of Mesa, was named vice-president, and H. E. Dingman, also of Mesa, secretary.

Resolutions asking that the 50 per cent reduction in grazing fees be continued during 1933, and that stockmen give support to the efforts to prosecute cattle thieves, were passed.

* * *

At the annual meeting of the Larimer County Stock Growers' Association, held at Livermore during the first week of January, Roy A. Pearson was elected president, Clarence Currie vice-president, and George Weaver secretary.

* * *

Herbert Jolly was elected president of the Colorado Wool Growers' Association at the meeting in Rifle last month, Fred Gaylord vice-president, and Robert MacIntosh secretary.

SHEEP-RAISERS OF TEXAS

AT ITS ANNUAL CONVENTION, HELD IN DEL RIO, December 16, 1932, the Sheep and Goat Raisers' Association of Texas passed the following resolutions:

Requesting stock-yard companies and commission firms at central markets to reduce their charges;

Petitioning railroad companies to re-establish change-of-ownership privilege at central markets;

Asking railroads to lower bedding charges;

Urging that efforts to control prickly pear be redoubled;

Requesting laws be passed for cleaning up blow-flies;

Recommending that sales tax be levied in place of state ad-valorem tax on property;

Disapproving loans by any government institution for purpose of buying live stock imported or to be imported into this country;

Condemning practice of importing live stock from Mexico under bond, in order to evade payment of duty, on plea that animals will be re-exported;

Favoring retention of Agricultural Marketing Act in present form, except in particulars where experience has demonstrated its failure;

Petitioning Congress to amend law to enable federal land banks to make loans regardless of amount of borrower's debt to joint-stock land banks, and to increase maximum loan limit to individuals to $100,000.

Further, the resolutions on the tariff, the Reconstruction Finance Corporation, the intermediate credit banks, interest rates, taxation, the domestic-allotment plan, and commission merchants passed by the National Wool Growers' Association at its convention in Portland, Oregon, December 8-10, 1932, were approved. (See January PRODUCER, page 10.)

T. A. Kincaid was re-elected president. Roger Gillis was made first vice-president, and Robert Real second vice-president. It was decided to hold the next convention in San Angelo.

IDAHO WOOL-GROWERS PASS RESOLUTIONS

RESOLUTIONS ADOPTED AT THE FORTIETH ANnual convention of the Idaho Wool Growers' Association, held at Boise, January 5-7, 1933—

Requested Idaho Legislature to mantain State Sheep Commission on present basis;

Insisted on reduction in yardage charges of 3 cents per lamb or sheep, and of commission charges to $12.50 per double-deck car of lambs, at all markets to which Idaho stock is shipped;

Expressed appreciation of what Reconstruction Finance Corporation has done to assist stockmen and farmers;

Asked that no changes be made in Tariff Act which might operate to reduce protection accorded live stock and agriculture;

Held that Federal Farm Board presents soundest and least expensive solution of all farm-relief schemes offered, and hoped that Congress would give it fair chance;

Favored extension to all markets of change-of-ownership privilege;

Urged that 50 per cent reduction in grazing fees on national forests be continued during current year;

Recommended reduction in shearing wages to 6 cents per head and board;

Thanked State Land Board for granting equitable reductions in grazing leases on state lands.

D. Sid Smith was re-elected president, and James Farmer vice-president.

UTAH WOOL-GROWERS CONVENE

AT THE TWENTY-SIXTH ANNUAL CONVENTION OF the Utah Wool Growers' Association, held in Salt Lake City, January 10-11, 1933, S. M. Jorgensen, of Salina, was elected president; W. D. Candland, of Mount Pleasant, vice-president; and James A. Hopper, secretary-treasurer. Resolutions were adopted—

Favoring retention of predatory-animal tax;
Recommending that members of association be given preference in sale of public lands;
Asking for fair valuation of live stock and grazing lands for taxation purposes;
Requesting maintenance of present tariff rates on lamb, mutton, and wool;
Urging federal loans on range lands on amortization basis.

CONVENTION OF MONTANA SHEEPMEN

JANUARY 18-20, 1933, MEMBERS OF THE MONTANA Wool Growers' Association were assembled in annual convention at Great Falls. A representative, although not large, crowd was in attendance, and the issues facing the sheep industry were given a thorough airing. Charles H. Williams, of Deer Lodge, who headed the association for a period of twenty-two years, was again elected president, in succession to J. H. Carmichael, of Augusta, incumbent of the office for the past year. W. G. Gilbert, of Dillon, and George K. Reeder, of Craig, were elected vice-presidents, and Murray E. Stebbins, of Helena, secretary-treasurer. Following is a summary of the more important resolutions adopted:

Calling for re-establishment of joint freight rates on lambs between Great Northern, Northern Pacific, and Chicago, Burlington & Quincy Railways;
Urging import duties on agricultural products no lower than those now in effect;
Requesting maintenance of present values on sheep for taxation purposes;
Asking for reduction of grazing fees on national forests;
Protesting against excessive commission rates;
Requesting reduction in stock-yard charges;
Recommending that 25 cents from each hunting and fishing license be set aside for control of predatory animals;
Urging federal land bank to renew negotiation of real-estate loans, and in loans to live-stock producers to give particular consideration to range lands.

ARIZONA HEREFORD BREEDERS ORGANIZE

ORGANIZATION OF THE ARIZONA REGISTERED Hereford Breeders' Association was perfected at a meeting in Tucson last month. The purpose of the new association, which will be a subsidiary of the Arizona Cattle Growers' Association, is to improve the quality of the registered bulls raised within the state, and to promote their use.

T. E. Heady, of Patagonia, was elected president; F. C. Kimble, of Douglas, vice-president; and E. L. Scott, of Tucson, secretary.

BEEF-GRADING IN CANADA AND ENGLAND

PROGRESS OF BEEF-GRADING IN CANADA MAY BE seen from the report covering operations for Nevember, 1932. In that month a total of 1,748,481 pounds were stamped by the government, of which 546,578 pounds were given the red, or highest, grade, and 1,201,903 pounds the blue, or second, grade. For the eleven months ending November, 1932, 19,543,869 pounds of stamped beef were sold, compared with 16,385,837 pounds during the corresponding period of 1931.

The "national mark" on home-killed beef in England is gaining in popularity, in spite of the opposition of the meat trade. In November, 1932, 23,006 sides were graded and marked in the three or four cities where the system has been introduced. This is the highest figure recorded since the commencement of the plan.

COMMISSION CHARGES LOWERED AT DENVER AND FORT WORTH

RECOGNIZING THAT GROWERS AND FEEDERS OF live stock "must have every consideration in the present emergency," the Denver Live Stock Exchange has notified the Packers and Stock Yards Administration that for a period of five months, beginning February 1, 1933, selling charges at Denver will be cut $2 to $3 a car, or about 15 per cent below the schedules previously in force. If at the end of the five months the emergency still prevails, it is planned to extend the reductions. The following decreases have been authorized:

Cattle—Maximum per car, $17, instead of $19 as heretofore; 20 head to be sold for $15, with excess at 65 cents a head, instead of 75 cents.
Calves—30 cents each.
Hogs—Single-deck: first 40 head, $10; "overs," 15 cents a head up to 40; maximum, $12, instead of $14. Double-deck: first 80 head, $16; "overs," 15 cents a head; maximum, $22.
Sheep—Single-deck, $12, instead of $14 as previously; double-deck, $17, instead of $20.
Drive-ins—Cattle, 65 cents a head; calves, 30; hogs, 25; sheep, 20.

* * *

Reductions ranging from 15 to 33⅓ per cent have been made by the Texas Live Stock Marketing Association, a member agency of the National Live Stock Marketing Association, operating at Fort Worth, in a new tariff filed with the Packers and Stock Yards Administration, effective January 16, 1933.

The new rates on unmixed live stock in car-lots, with one owner, are as follows (old rates in parentheses):

Cattle—60 cents each (75); $12 minimum ($12), $15 maximum ($18).
Calves—30 cents each (35); $12 minimum ($12), $15 maximum ($18); double-deck, $25 maximum ($30).
Hogs—20 cents each (30); $8 minimum ($8), $10 maximum ($12); double-deck, $17 maximum ($20).
Sheep or goats—15 cents each (20); $8 minimum ($8), $10 maximum ($12); double-deck, $17 maximum ($20).
On mixed live stock in single-deck cars, with one owner, the same per-head and maximum charges apply. In double-deck cars, with one owner, these maxima are established: calves, $25 ($30); hogs, $17 ($20); sheep or goats, $17 ($20).
On unmixed live stock in car-lots, with two or more owners, proportionate reductions have been made.
On live stock hauled or driven in the new rates are: cattle, 60 cents each (75); calves, 30 (35); hogs, 20 (30); sheep or goats, 15 (20).

Increase in Philippine Tariff

A tariff amendment has been passed by the Philippine Legislature, providing for an increase in the duty on fresh meat, lard substitutes, and peanut oil.

THE CALENDAR

February 14-15, 1933—Annual Convention of Arizona Cattle Growers' Association, Douglas, Ariz.
March 3-9, 1933—Houston Fat Stock Show, Houston, Tex.
March 5-7, 1933—San Angelo Fat Stock Show, San Angelo, Tex.
March 6-9, 1933—Amarillo Fat Stock Show, Amarillo, Tex.
March 8-10, 1933—Annual Convention of Kansas Live Stock Association, Wichita, Kan.
March 11-19, 1933—Southwestern Exposition and Fat Stock Show, Fort Worth, Tex.
March 14-16, 1933—Fifty-seventh Annual Convention of Texas and Southwestern Cattle Raisers' Association, Fort Worth, Tex.

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COMMISSION MEN AT DENVER LOWER RATES

THE ANNOUNCEMENT BY THE DENVER Live Stock Exchange that commission rates have been reduced from $2 to $3 a car for a period of five months from February 1 (details given elsewhere in this issue) causes the producer of range cattle and lambs to wonder when he slipped from grace at this, his own market. Coming more than three years after the onset of the depression, long after the large majority of the central markets had made even greater reductions, after all the range stock has been marketed for the season, and being scheduled to expire just before the 1933 range run begins, the concession is not calculated to bring any great expressions of relief from the men who are the mainstay of the Denver market, although it will be of help to the feeders in near-by territory. The only saving clause in the announcement, from the standpoint of the range producer, is this: "the idea being to renew the cuts if an emergency continues to exist at the end of the period."

Does anyone seriously doubt that an emergency will still exist on July 1? Recovery from the present crisis will not be aided by haste in restoring the status quo. Conditions justify a flat reduction, with no strings tied to it. The future should be left to take care of itself.

Producers in the intermountain area have only themselves to blame, however, if they do not secure lower commission rates at Denver next fall. Three months ago both the Intermountain Live Stock Marketing Association and the Farmers' Union made substantial reductions, with no time limit affixed. It is only fair that this action, fully considerate of the interests of both range men and feeders, should be rewarded by a material increase in the volume of business.

THE CONSUMER PAYS

THE CONVENING, LAST MONTH, OF THE legislatures in most of the forty-eight states was the signal for another flood of bills designed to put dollars into the pockets of the dairyman and the butter-manufacturer, irrespective of the rights of any other class of domestic producers or of the consumer. No other industry in the country has had the consummate nerve even to ask for such a complete monopoly as the butter people are seeking. The cry of fraud in the sale of oleomargarine as butter—originally the cause of regulatory legislation as to the manufacture and sale of margarines—is now merely the vehicle by which the dairy industry is aspiring to bring about the entire exclusion from the stores of this country of the nutritious, wholesome product made from animal and vegetable fats and oils.

The live-stock industry has sought to join hands with the dairy interests in securing legislation that would put a heavy tax on product made from coconut or other imported oils, but would leave available for consumers, with no tax except the regulatory assessment of one-fourth cent a pound, the article made from oleo oil, cottonseed oil, and other oils of domestic origin. The dairy people, however, refuse to co-operate, and for purely selfish reasons. It is their desire, instead, to levy heavy taxes on *all* margarines, and thus build up a monopoly—a difficult thing to do when competition is limited to a domestic product.

Some day the consumer will have a potent voice in our legislative halls. When that time comes, any self-seeking interests, utterly regardless of the rights of fellow-producers or of consumers, will have a tough time passing laws to increase the cost of an essential commodity. Today there are millions of people without work in this country, and other millions with very low purchasing power. There is room for a substantial increase in margarine consumption among a class, unable to buy butter at all, who

would be much benefited by such an addition to their diet. If the dairy industry would desert the leadership of the Washington lobbyists, whose bread-and-butter is dependent upon keeping alive the myth that oleomargarine is an illegitimate product, and if it would adopt a live-and-let-live policy, confining its energy to manufacturing a high-quality product at a reasonable price, it would have its hands quite full. After all, it is the consumer who pays, and some day, not too far distant, he will assert his rights in no uncertain fashion.

SALE-IN-TRANSIT HEARING

FOR TWO WEEKS REPRESENTATIVES OF producers, of the principal central markets, and of the big packers have participated in a spectacular hearing before Examiner Disque, of the Interstate Commerce Commission, to determine whether the live-stock industry is to have the same privilege of selling and reconsigning in transit that is freely accorded almost any other commodity which can be named. The big packers, in order to preserve a favorable competitive position with respect to their eastern rivals, have befogged the issue by trying to tie it up with the question of slaughter-in-transit rates on fresh meats and packing-house products. They insist on assurance that rates on fresh meats and packing-house products will be lowered in case the sale-in-transit privilege is granted the live-stock industry, before they will withdraw their opposition to the restoration of that privilege at the river markets, or cease their fight to have it canceled at the western markets.

Strange to say, at the very time this matter is being threshed out, announcement is made that storage-in-transit rates on meat have been established at Denver, permitting substitution, etc. It appears to make a difference whose ox is being gored. It is worthy of note also that, while the packers are willing to deprive the live-stock industry of the sale-in-transit privilege, if necessary to gain their own ends, they still desire to retain the sorting and consolidation privilege at hog-concentration points. Verily, this is a strange world!

The railroads, in line with the suicidal position they have taken ever since the depression began, are out to squeeze the last nickel of revenue out of every service rendered, even though they lose ten times the amount by driving more business to the trucks.

Producers are determined to make a last-ditch fight for a privilege which they believe is theirs by right. There is a growing resentment at the effort to keep them on the hot seat while the Interstate Commerce Commission enters an entirely new field of rate-making—the consideration of slaughter-in-transit rates. It may take five years to work out a complicated matter of this kind, and they do not relish being the goat for any such period.

The decision just announced in the reopened Docket 17000 indicates that the commission does not intend to deprive the industry of the important privilege at issue. The hearings will conclude in Denver about February 10, to be resumed at Chicago the following week for railroad testimony. The report will be some months in the making.

Charles E. Blaine, F. R. Marshall, Dr. B. F. Davis, and F. E. Mollin are on the job for producers. L. M. Pexton, of Denver, and James H. Phelps, of Ogden, are the mainstays of the western markets, with exhibits covering every phase of the situation. Many witnesses are testifying for western producers—unanimously in favor of restoring the arrangement at all markets.

BACK TO THE FARM

ACCORDING TO RECENT FIGURES PUT OUT by the Bureau of Agricultural Economics, the drift of our people today is toward the farm. The year 1933, we assume from the report, may witness our farm population the largest in history.

It is impossible not to see a definite connection between this migration away from the cities and the industrial situation. The newcomers are the unemployed. The story that these figures tell is of discouraged men who have tramped the pavements many a month in search of work, and whose thoughts have at last turned to the green fields, where food grows out of the soil.

It may be that little can be earned on the farm in the way of profit, what with commodity prices the lowest in many years, and taxes and expenses proportionately high. The farm-bound city-dweller probably knows this, but the thought does not deter him. He wants, not profits, but a living—even the bare necessities will satisfy him. He reasons that, in spite of the vicissitudes of present-day life in the country, the odds are that three meals a day can be got out of it, and a roof overhead.

But farming is a business, and, like most occupations, it is already fully competitive. Now to have these town fellows come along and set up farms of their own seems, to the established agriculturist, not quite the thing. They are the buyers of his produce, or will be when they get back on their jobs. Their place is in the city, where they can purchase and consume the crops that the country grows. It is necessary to maintain a proper balance of production and consumption.

These are logical objections, and there are others. For the inexperienced city chap to go out to farms that others have abandoned, or on land not suited to cultivation, to which he is quite liable to be attracted by its cheapness, may not be the part of wisdom. If he is to go there without possibility of finding subsistence, and thus throw the burden of his support on the rural sections, instead of leaving it up to the wealthier and better-organized city, he does injustice both to himself and to the rural community.

However, if this movement back to the land will tend to alleviate the hunger and distress of thousands of unemployed; if through it by their own hands they can glean from the soil the food needed for themselves and their families, then, as an expedient, their migration should be encouraged.

John E. Painter

In the death, on January 21, 1933, of JOHN E. PAINTER, the West loses one of its best-known cattlemen and Colorado one of her outstanding citizens. Mr. Painter was born in Staffordshire, England, in 1860, and thus reached the age of seventy-two. In early life he studied medicine, but never practiced that profession. Joining an uncle in America in 1881, he first entered the mining business, but was soon attracted by the possibilities of live-stock raising on the plains, and in 1883 acquired a large ranch at Roggen, Colorado, where he centered his attention on the breeding of high-grade Herefords.

For two terms he was president of the American Hereford Breeders' Association, and for several years served as secretary of the Western Hereford Breeders' Association. He was long a member of the Executive Committee of the American National Live Stock Association. He was one of the chief pillars of the National Western Stock Show at Denver, was prominent in arranging Hereford sales, and took a keen interest in boys' and girls' club work. In every activity for the promotion of agriculture and the live-stock industry in his community and state he was a recognized leader.

Mr. Painter is survived by two sons and two daughters. The former will continue his extensive breeding enterprises.

A. H. Priest

After a brief illness, A. H. PRIEST died at his residence in Fort Worth, Texas, on January 7, only thirty-eight years old. Mr. Priest was known throughout his home state as a rate expert. He was the head of a freight-rate bureau that served all the commission companies on the Fort Worth market. He also handled rate and traffic matters for the Texas and Southwestern Cattle Raisers' Association and a number of local live-stock organizations. The money saved to stockmen through his activities ran into very large amounts.

Mr. Priest leaves a widow, a son, and a daughter.

"I surely look forward to receiving your magazine. I consider it the very best cattleman's paper published."—JERRY B. MINTER, Perico, Tex.

HOW TO DETERMINE RETAIL MEAT PRICES

INTERESTING RETAIL MEAT-PRICING CHARTS, applicable to the methods of cutting used prevailingly in Chicago and New York, have been prepared by A. T. Edinger, of the Live Stock, Meats, and Wool Division of the Bureau of Agricultural Economics. The charts are based on the average wholesale carcass cost of good grade steer beef, on which retail prices are computed. Our space does not permit us to reproduce the charts in full, but the following example is sufficient to illustrate the principle:

Suppose the wholesale carcass cost is $16 per hundredweight. If a gross margin of 33⅓ per cent is desired at retail, sales receipts should thus total $24 on all the cuts in the 100 pounds. The desired mark-up being 8 cents per pound, the sum of the wholesale cost of 16 cents plus the mark-up, or 24 cents, equals the expected retail return per pound.

In the subjoined fractional table are shown the percentages of the different trimmed retail cuts contained in this carcass costing $16 per hundredweight at wholesale and retailing at $24, together with the actual wholesale cost (in cents per pound) and the retail price at which these individual cuts should sell to produce **a margin of $8:**

	Per Cent of Carcass	Actual Cost per Pound	Selling Price per Pound
Porterhouse steak	6.75	33	49
Sirloin steak	8.00	27	40
Round steak	12.50	24	35
Heel of round	3.00	18	26
Flank steak	0.65	20	31
Boneless rump	3.00	22	33
Rib (first five)	5.75	22	34
Blade roast	3.25	19	28
Chuck (round bone)	5.10	16	25
Chuck (straight cut)	10.50	15	23
Plate	7.00	9	13
Brisket (bone in)	5.00	11	17
Ground meat	3.85	13	20
Boneless stew	8.40	16	24
	82.75	$16.00	$24.00

Percentages and average value (in cents per pound) of untrimmed wholesale cuts, based on these retail prices, are shown below:

	Per Cent of Carcass	Price per Pound
*Hindquarter (one rib)	48.00	28.75
Loin, with kidney and suet	20.50	32.75
*Loin, less kidney and suet	17.00	39.50
Round	24.00	27.25
Flank	3.50	14.25
Rib (seven)	9.50	30.25
Chuck and shank	28.50	18.75
Plate and brisket	14.00	14.50
*Forequarter (twelve ribs)	52.00	19.75
	100.00	$24.00

*Not included in total.

Proportionate values, retail and wholesale, have been worked out in the charts for carcasses, plus gross margins desired, ranging all the way up to $40 per 100 pounds. The charts may be had free on application to the Live Stock, Meats, and Wool Division, Bureau of Agricultural Economics, Washington, D. C.

Rigid Quota System for France

Rigid quotas will be established by the French government early in 1933, further limiting imports from the United States, Argentina, Chile, Brazil, and other exporting nations. No exceptions will be granted.

THE STOCKMEN'S EXCHANGE

FARM RELIEF SCHEMES FAIL OF THEIR PURPOSE

KIT CARSON, COLO., February 1, 1933.

TO THE PRODUCER:

Referring to the letters in the January number, I fully agree with C. M. O'Donel, of Bell Ranch, and L. S. Evans, of Albuquerque, New Mexico. In my opinion, this domestic-allotment plan, as well as the equalization fee and the debenture, is all bunk. The allotment plan is, I think, the worst of all. It is entirely too complicated, and would require a monster army to operate it. That is just what has brought about our trouble—we have entirely too many people on the public pay-roll, too many non-producing drones eating honey. It costs more than it is worth.

It seems to me that common-sense should teach us that to regulate production of field crops and live stock, in a country as large as the United States, where there are so many climatic changes and conditions, is simply impossible. A manufacturer can foretell with reasonable accuracy how many pieces of a certain class of goods he can turn out in the next twelve months. But a farmer cannot even tell one day ahead what he will have tomorrow, because he is subject to the elements, over which he has no control whatever. A farmer may have threshed three thousand bushels of wheat off a hundred-acre field last year, and last fall again planted the same field, with the same equipment and the same pains-taking care, as he did the year before; and yet he may not have five hundred bushels this year. Many times have I seen a bumper crop all ready to harvest, and then witnessed its destruction in less than thirty minutes by storm, hail, or flood. This likewise applies to live stock. A cowman may have a 90 per cent calf crop one year, and less than 50 per cent the next year. A few years ago we raised seventy-eight pigs from ten sows; the next year we saved thirty-eight pigs from twelve sows. They all had identically the same feed and care both years. I have known my neighbors to have the same experience.

As to the "Jubilee," you may all laugh at L. C. Brite, of Marfa, Texas; but I say his is the only really sound relief plan I have yet seen proposed. Now you may laugh at me too, but you will have plenty of time to think it over before this country gets back to normal conditions. I am now seventy-five years old, and I doubt whether I shall live to see it, but I do hope that Mr. Brite will live to have the last laugh.

About two years ago, in the course of a conversation with Charles E. Collins, president of the American National Live Stock Association, Charley made the remark: "I tell you, C. J., this thing will not get better until the whole damned country blows up." Mr. Collins saw it coming. The country is blowing up now; but it has just got started, and I expect it to blow harder than ever in the next twelve months.

Uncle Sam spent about fifteen billions to help carry on the World War, and in addition loaned the European Allies about twenty-three billions. About twelve billions has already been canceled, and the remaining eleven billions will go the same way. And what did the United States get out of it? Absolutely nothing, except a good cursing from those dear European Allies. That, however, seems to be all right—we hear very little kicking or complaining.

But if somebody proposes to cancel about ten billions in farm mortgages, just see what a howl goes up! Oh, no, such a thing is ridiculous and unthinkable! Yet it would do ten times more good in bringing the country back to normal conditions than all the nostrums of farm relief so far proposed put together. This country will never get on a solid footing until the farmers get on their feet and are able to buy goods. Then the wheels of industry will start moving, and men will be put to work. That is the only sound way to relieve the depression. This thing of the government borrowing money to spend in employing people to build non-producing projects only makes a bad matter worse, and there will have to be an end to it some day.

C. J. OSWALD.

NEW LIVE-STOCK CREDIT AGENCY NEEDED

SELIGMAN, ARIZ., January 26, 1933.

TO THE PRODUCER:

For the past ten years or more I have been engaged in, and have studied, the present method of financing live-stock producers in west Texas, New Mexico, and Arizona. I know that this method is not satisfactory, and that no lasting benefits will be received from it. Past events have proved that with each cycle of depression old familiar names and faces are eliminated through foreclosures. These are men who helped build our states from territorial days, and who would certainly be classed as experienced producers. Our present method is not a march of progress, but one of financial ruination. A very large part of the wealth and revenue of our states is represented by investments in the live-stock industry. Therefore any betterment would help these states as a whole. In order to set forth my views on this subject, it is necessary to go back a number of years and trace the origin of this defect.

Prior to the year 1915, chattel mortgages on range live stock were practically unknown. In nearly every instance the producer would borrow from his local bank the amount necessary for operating expenses, and would repay this obligation from the proceeds of his spring or fall sales. It is my opinion that this method was ideal, and it is regrettable that it does not prevail more generally at this time.

About the year 1915 there were live-stock loan companies formed at all the principal live-stock marketing centers, such as Chicago, Kansas City, St. Louis, Omaha, Denver,

Los Angeles, San Francisco, Fort Worth, El Paso, etc. Competition among these agencies was very keen, and millions of dollars were loaned, with chattel mortgages on range live stock as security. Due to the competition, loans were made for as much as 80 to 100 per cent of the then market value of the live stock. In nearly every instance the amount loaned was far more than was needed by the borrowers to pay their current obligations. Therefore, with this surplus of cash, they proceeded to make further investments, principally for additional range upon which to graze their live stock. This method of financing was continued, and enlarged upon, until the period of deflation during 1920-24, when the majority of the loan agencies ceased to exist. Likewise a large number of live-stock producers were closed out at that time. The federal government, seeing the emergency and the vital need, organized what was termed the War Finance Corporation for emergency purposes. Before the liquidation of the War Finance Corporation, legislation had been enacted organizing the federal intermediate credit banks, which are now functioning. At the present time there are also operating, as an emergency institution, what are termed the regional agricultural credit corporations. In reality these two governmental agencies are both loaning on live stock, with chattel mortgages as security.

With the growing population, what was termed "free range" has gradually disappeared. The live-stock men have found it necessary to extend their land-holdings in order to continue to operate. This land investment has increased the taxable value of each state, either directly on the tax-rolls or through the payment of state-land leases, forest fees, etc. In nearly every instance the live-stock producer has an investment in ranch-holdings far greater than his live-stock investment. Under the method of financing now in existence, as above outlined, no consideration is given this ranch investment. The lending agencies count and appraise the live stock, and the loans are arranged on a percentage of the market value at that time. These loans are made for periods ranging from six to twelve months. With our cycles of prosperity and depression, the time very soon arrives when the live-stock producer's equity is eliminated, due to declining markets. This situation confronts nearly all at the present time. The amounts previously loaned are equal to, or exceed, the present market value of the live stock. Yet in each case the producer has large ranch-holdings that have no value, so far as being able to borrow upon them direct is concerned. You must realize that this will force thousands upon thousands of head of live stock upon markets that are already overburdened, due to the decreased consumption of meats on account of unemployment. An emergency exists, and early action is vitally necessary.

It is my contention that live-stock producers in these states do not need more money. What they need is an agency from which they can obtain a reasonable loan upon their ranch-holdings for a long term of years, at a fair rate of interest. From the proceeds of these ranch loans they could pay all delinquent taxes and leases, and either entirely liquidate or greatly reduce their live-stock loans. These live-stock loans would then be eligible at the banks or through the federal intermediate credit banks. This method would obviate the necessity of liquidating thousands of loans on our distressed markets. There should be no limitations as to the amount of the loans, or as to loaning to corporations, as this would destroy the beneficial effect to a large extent.

The ultimate goal should be to restore live-stock producers to the position which they occupied prior to the year 1915. However, this cannot be achieved in a short period, and it will take careful financing on the part of the federal intermediate credit banks and the land loan agency, which should co-operate, or act in dual capacities, so far as possible.

W. H. Waggoner.

FAVORS REDUCTION OF BREEDING HERDS

Perico, Tex., January 11, 1933.

To The Producer:

General conditions in this part of the country are about as good, I presume, as they are anywhere. Our cattle are wintering in very good shape. We are forced to underfeed them from the standpoint of cake—just have not the money to buy cake, even at the reduced price.

I have often wondered why the various cattle-raisers' associations have not advocated the cutting-down of breeding herds—say a 10 per cent reduction in the number of actual breeding cows. I believe the time is ripe for something like this. If the associations could get their members to agree to do this, I think the cattle business would soon be brought back to a paying basis. Of course, it could not very well be done in one year, as this would throw too many cattle on the market in a short time. I am in the business in but a small way, having only about 375 breeding cows, but I should be glad to cut them down, if a general movement could be started in that direction.

I am very much interested in the so-called domestic-allotment bill now before Congress. I am, however, opposed to including hogs in its provisions. In fact, I believe that wheat and cotton are the only commodities that should be protected now. If these two commodities can be put on a paying basis, I feel certain that they will soon create a market for all other products. I am also in favor of the silver bill. We must have a greater volume of actual money, and less credit.

There is one thing in which the supply is not sufficient to meet the demand, and that is home-cured pork products. I have been killing my hogs and curing the meat in the old-fashioned way and cannot keep enough ahead to supply the demand. Our corn is selling here at 20 to 22 cents a bushel, and we cannot sell hogs at $2.50; but I am getting $5 a hundred for them cured out.

Jerry B. Minter.

PLEADS FOR SUPPORT OF ASSOCIATION

Baker, Mont., January 12, 1933.

To The Producer:

It is my firm intention to continue my membership in the American National Live Stock Association, as things are bad enough in the live-stock business without letting them drift to worse. I consider the money that I pay to the associations, both state and national, my best expenditure in the year.

We are having a good winter in Montana, and stock is looking fine.

W. H. Roberts.

British Bacon-Import Restrictions Renewed

Renewal of the arrangement for voluntary restriction of bacon imports into Great Britain is being negotiated by the British government with exporting nations, to continue until July 1, when the recommendations of the Commission on Pigs and Pig Products will go into effect.

WHAT THE GOVERNMENT IS DOING

IN CONGRESS

ON JANUARY 12 THE DOMESTIC-ALLOTMENT FARM-relief bill (or the "Jones bill," as it is now called after the chairman of the Committee on Agriculture, Marvin Jones, of Texas, one of its chief protagonists) passed the House of Representatives by a vote of 203 to 152. As finally adopted, it covers the seven commodities of wheat, cotton, hogs, rice, peanuts, tobacco, and butter-fat. If the bill becomes law, producers will receive, during a period beginning thirty days after its enactment and extending to the beginning of the crop-marketing year of 1933-34, the following prices: wheat, 75 cents a bushel; cotton, 9 cents a pound; rice, 75 cents a bushel; peanuts, 3 cents a pound; and butter-fat, 26 cents a pound. The amount of the bounty will be the difference between these prices and actual market prices. It will be collected by the government from the processors (millers, spinners, packers, etc.), and distributed to producers through "adjustment certificates," transferable and redeemable by the United States Treasury. After the initial period the Secretary of Agriculture will determine what is a "fair" price, and the amount of the bounties. To participate in the benefits of the bill, farmers, after the initial period, will have to cut their crop acreages 20 per cent, and hog-producers to market a tonnage 20 per cent below that for the same time of the preceding year. The processing tax on hogs would be graduated, starting with 3½ cents a pound for the first sixty days, going to 4 cents the next sixty, and then to 4½ cents till the beginning of the 1933-34 crop year.

As a concomitant, certain tariff changes were voted, among them a duty of 5 cents a pound on short-staple cotton, and 5 cents a pound on oils and fats—these in addition to existing rates.

Inclusion of dairy products, and a compensatory tax on oleomargarine equal to the bounty on butter-fat, "to maintain the sales parity between the two products," were urged by Charles W. Holman, secretary of the National Co-operative Milk Producers' Federation, before the Senate committee last month.

Much opposition to the inclusion of hogs has developed. The packers, whose attitude was set forth in the January PRODUCER, maintain that it would destroy the daily cash market. They are being backed by many stockmen. Testimony unfavorable to the bill was presented, among others, by Charles E. Collins, president of the American National Live Stock Association, at hearings before the Senate committee. At its recent convention in Ogden, the association expressed its "unalterable opposition" to the plan, which it termed "economically unsound."

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After much wrangling, degenerating into an old-time filibuster, the Senate on January 25, by a vote of 54 to 9, sent to the House the banking bill of which Senator Glass, of Virginia, former Secretary of the Treasury, is the author. The measure makes numerous changes in the Federal Reserve and National Banking Acts, designed to render aid to banks in distress, reduce the number of bank failures, assist depositors of closed banks through a liquidating corporation, and restrict the use of federal reserve funds for speculative purposes. The feature objected to by the obstructionists was the section authorizing limited branch banking by national banks. It is thought that the bill has little chance in the House.

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A gigantic plan for relieving the farmer has been hatched by Senator Robinson, of Arkansas, assisted by representatives of the big farm organizations. The bill would set up an Emergency Agricultural Refinancing Corporation to assist farmers in "gradually working out of their financial difficulties." The United States Treasury would be authorized for the next five years to purchase future issues of 3¾ per cent farm loan bonds, and a $300,000,000 revolving fund would be established for the retirement of bonds bearing a higher interest rate. The Treasury would further be required to subscribe an additional $100,000,000 for federal land bank stock. Extensions of outstanding loans would be permitted, the aggregate to be amortized over a period of forty years, and the Treasury to subscribe to the paid-in surplus of the federal land banks an amount equal to the extensions. The interest rate on farm loans would be 5 per cent, and land banks would be authorized to make loans direct to farmers at 5½ per cent. Loans, in amounts up to $10,000, would be made to individual farmers on the security of first and second mortgages, but not to exceed 75 per cent of the value of their property, including crops. Joint-stock land banks would be liquidated, the Treasury to advance $75,000,000 to that end.

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What is described as the most far-reaching piece of legislation to come before Congress in twenty years was passed by the House on January 30, by the overwhelming vote of 201 to 43. This is the McKeown-LaGuardia bankruptcy-reform bill. Under the terms of this measure, an individual, an industrial corporation, or a railroad may go into federal court and get relief from debt burdens contracted during boom days, through a process of scaling down or postponing payments. It includes farmers who are hard pressed by mortgages, assumed on the basis of cheap dollars and high commodity values, which must now be paid back in appreciated currency.

* * *

A bill, sponsored by Senator Smith, of South Carolina, authorizing the expenditure of $90,000,000 in federal credit to farmers in producing their 1933 crops, has been passed by Congress and signed by the President. As security, the government would take a first lien on the crops. A similar bill was passed last year, and the new measure simply reappropriates a part of the same funds originally made available

out of the Reconstruction Finance Corporation cash-box, to be distributed through the Secretary of Agriculture. In drought-stricken areas, live-stock men may share in the loans.

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Not unexpectedly, the bill granting independence to the Philippines was vetoed by President Hoover, on the ground that it did not fulfil the triple responsibility of the United States to the Filipinos, the American people, and the world at large. The President held that, while we must undertake further steps toward liberation of the islands, these should be based upon a plebiscite to be taken fifteen or twenty years hence.

On January 13 the House overrode the veto by a vote of 277 to 74, and on January 17 the Senate followed suit, 66 to 26.

The bill provides for the adoption of a constitution and the setting-up within two years of a commonwealth government of the Filipinos, to be followed by a transitionary period of ten years, during which the authority of the United States would be represented by a high commission, in place of the present governor-general. Power to veto bills enacted by the local lawmakers, the right of intervention, and the control of foreign affairs would be reserved in the United States. Quota limitations would be put on duty-free imports of Philippine sugar, coconut oil, and cordage. Toward the end of the preparatory period American tariffs would gradually be applied to Philippine exports, reaching 25 per cent of the full rates during the last year. Immigration restrictions would become effective at the start, and with complete independence would become identical with those applying to other foreign nations. Finally the bill does not become effective until it has been approved by the Philippine Legislature or by a convention called for the purpose.

The matter is now "up to" the Filipinos themselves. Reports from the islands tell of a sharp division of opinion as to whether or not the terms of the bill are acceptable.

GOVERNMENT LIVE-STOCK OUTLOOK REPORT

Cattle

CATTLE NUMBERS IN THE UNITED STATES IN 1932 are reported to have increased for the fifth consecutive year since 1928, and are now estimated at 64,500,000 head, or about 2,000,000 more than a year ago, says the Bureau of Agricultural Economics in its "Farm Outlook Report" of January 30, 1933. The number of beef and dairy cows is the largest on record. Slaughter supplies of cattle and calves this year are expected to be somewhat larger than in 1932, but the bureau thinks that total slaughter is not likely to be sufficient to prevent a further increase in the number on farms at the beginning of 1934. It is stated that "no significant improvement in the demand for beef can be expected until there is an increase in consumer buying power."

Hogs

Slaughter of hogs under federal inspection during the remainder of the present marketing year, which ends September 30, 1933, is expected to be somewhat smaller than in the corresponding period of 1932, with all the reduction occurring during the four months, January to April. Little increase in the 1933 spring pig crop in the United States is indicated, but a substantial reduction in European hog production is regarded as probable. The bureau believes that "the domestic demand for hog products during 1933 probably will not be materially improved, but the foreign demand for these products may be strengthened somewhat."

Sheep and Lambs

The reduced lamb crop and heavy death losses in early 1932 caused a material reduction in lambs and sheep on feed, and apparently some reduction in total breeding sheep, on January 1, 1933, says the bureau, adding that "it appears unlikely that sheep numbers will increase in the United States in the next few years, but decreases are likely to be moderate."

Consumption of wool is reported as having increased since early last summer, and "although some of the increase has been lost in the United States, consumption is still well above the average rate for 1932."

Dairy Cows

There was an increase of about 4 per cent in the number of milk-cows during 1932, but no increase over 1931 in total milk production. The number of yearling heifers is reported as being only slightly more than enough to cover normal replacements. However, the bureau says that, "with the number of cows on farms greater than ever before, and with the supply of feed grains the largest in the past twelve years, there is the possibility of a moderate increase in milk production in 1933."

Horses and Mules

Declines in the number of horses, which started in 1918, and in the number of mules, which started in 1925, continue at rates that eventually will result in a shortage of work stock, says the bureau.

"I like THE PRODUCER very much—good stuff in it."—J. P. STOUS, president, Ehrke-Martin Live Stock Commission Company, Kansas City, Mo.

OUR TRAFFIC PROBLEMS

INTERSTATE COMMISSION APPROVES RECONSIGNMENT PRIVILEGE

AN IMPORTANT DECISION WAS HANDED DOWN BY the Interstate Commerce Commission on February 1. In the general live-stock freight-rate case, Docket 17000, reopened for hearing after the order of the commission had been put into effect in January of last year, the previous decision was reaffirmed establishing maximum charges. The commission finds itself unable to support the plea of the railroads for higher rates, saying that not only is the cattle industry prostrate, but increased schedules would simply result in driving more business to the trucks.

With respect to the sale-in-transit privilege, the conclusion is drawn, from such summaries of the decision as had reached us at the time of going to press, that the railroads are free to install this system at other markets than the three (Denver, Salt Lake City, and Ogden) where it is now in force.

A modification of the former decision is to the effect that shipments of stockers and feeders to feed-yards in the future will be charged the full rate of slaughter cattle, the lower rate to slaughtering points to be contingent upon a subsequent rail haul within a reasonable time. Under the order now in effect, feed-yards have been permitted to receive stockers and feeders at 85 per cent of the fat-cattle rate.

TRANSPORTATION ITEMS

COMMON CARRIERS, ACCORDING TO A DEFINITION rendered by the Colorado Supreme Court last month in a case involving the constitutionality of state laws governing private transportation of freight, are only those whose regular business it is to carry materials for all persons who may choose to employ and remunerate them for their services. A private carrier, the court holds, may carry merchandise for fifteen customers, but unless he offers to serve the general public he is not a "common" carrier. Truckers hauling their own property in their own trucks are not subject to any kind of regulation under the present Colorado law.

* * *

Unification of the Union Pacific Railroad with is subsidiary lines has been approved by the Interstate Commerce Commission. The subsidiaries include the Oregon Short Line, the Oregon-Washington Railroad and Navigation Company, the Los Angeles & Salt Lake Railroad Company, and the St. Joseph & Grand Island Railway. These lines the Union Pacific proposes to lease. Intervening roads are to be purchased at prices fixed by the commission.

* * *

Charging that freight rates in general are maintained at an artificially high level, and that they are in the nature of a subsidy to the railroads, the principal farm organizations, in conjunction with the National Coal Association and the National Lumber Manufacturers' Association, have petitioned the Interstate Commerce Commission for a reduction of transportation charges to a basis that would make them comparable with present commodity prices.

FOREST FIRES SHOW DIMINUTION

UP TO NOVEMBER 1, WHEN THE FIRE SEASON was regarded as practically past, 397,722 acres of national-forest land had been burned over last year, compared with 605,073 acres in 1931. Nearly three-fourths of the area laid waste last season was in California, where a combination of cyclonic winds and low humidity in the summer caused one fire to sweep more than 220,000 acres in the Santa Barbara National Forest. Elsewhere the 1932 record was the most favorable for many years. Fires from all causes numbered 6,710. Of these, 4,015 were man-made.

FOREIGN

LIMITATION OF BRITISH PORK IMPORTS

VOLUNTARY REDUCTIONS IN SHIPMENTS OF bacon and ham amounting to 17.5 per cent of the average amounts exported to the United Kingdom during August, September, and October, 1932, have been asked by the British government of the various countries for a period of two months beginning November 21. This arrangement, the purpose of which is declared to be the improvement of prices on hogs in Great Britain, is to be followed by restrictions of a more permanent nature, to become effective on July 1, 1933, based upon recommendations by a special parliamentary commission that has been studying the British live-stock and meat situation for several months past.

The monthly quotas of imports for the sixty days, which will undoubtedly be used as a basis for the permanent allotment, are given as below for the more important countries (in hundredweights of 112 pounds):

Countries	Cwt.
Denmark	506,000
Netherlands	82,400
Poland	80,000
United States	40,000
Sweden	38,600
Lithuania	34,000
Estonia	7,200
Argentina	6,080

There is already a duty of 10 per cent ad valorem on lard entering the United Kingdom.

WORLD BEEF TRADE TO BE AFFECTED BY BRITISH RESTRICTIONS

BRITISH RESTRICTIONS ON IMPORTS OF BEEF from South America might be expected to divert Canadian cattle and beef, and New Zealand beef, away from American markets, says the Bureau of Agricultural Economics. On the other hand, a restricted British outlet for South American beef makes the United States market more important to exporters in Argentina, Uruguay, and Brazil.

The British restrictions favor British Empire beef-producing areas, under the terms of the Ottawa agreements of last summer. They have been applied at a time when the number of cattle in both the United States and Europe are approaching the highest levels of recent years. United States imports of canned beef from South America last year were larger than in 1931.

Under the terms of an order effective January 1, 1933, imports of chilled and frozen beef into Great Britain can be made after that date from non-British countries only under an official license. The order contemplates the reduction of imports of non-empire frozen beef during the first quarter of this year by 10 per cent below the volume imported during the same quarter last year. The reduction is to be increased by 5 per cent in each quarter, until it reaches 35 per cent in the second quarter of 1934.

The bureau reports that "the reduced volume of beef exports leaving Argentina, Uruguay, and Brazil during 1932, and the low prices received in European markets, have intensified interest in expanding the markets for South American beef. If the present arrangements limiting beef imports into Great Britain are prolonged as planned, there are indications that rather fundamental readjustments in the South American beef-cattle industry may be necessary."

INFECTIOUSNESS OF FOOT-AND-MOUTH DISEASE

EVER-RECURRING OUTBREAKS OF FOOT-AND-mouth disease in England have centered the attention of scientists in that country on the possible sources of infection and the life of the virus of this costly malady. Concerning the length of time the germs may survive on different materials, extensive investigations have been carried on and some definite conclusions reached. The following facts have been brought out:

"Recent findings as to the duration of the life of the virus do not tend to minimize the seriousness of the malady. On the assumption that the disease may be carried by packing materials, hay, etc., long and laborious experiments have been carried out as to the survival of the virus on different media. The practical importance of one fact which has come to light in this connection needs no emphasizing: that, while the virus survives in dry blood for two or three days only at ordinary temperatures (59° to 68° F.), on glass, iron, zinc, tile, brick or wood, on boot leather or on rubber from a gum boot, its life is prolonged to from 80 to 102 days, respectively. Other experiments indicate a strong probability that the virus may survive in carcasses long enough to be a source of danger. Virus contained in crushed bones infected pigs by feeding after 42 days' storage at trade chilling temperature. Bones from both bacon and beef carcasses were equally infective. These last experiments were designed to investigate the possibility of the disease being introduced by imported meat."

The above lends point to the necessity, not only of maintaining the embargo on imports into the United States of live stock and meats from countries where this disease prevails, but also of exercising the utmost vigilance with respect to a multitude of other articles, such as wrapping material or containers.

NOTES FROM FOREIGN LANDS

German Meat Tariff Extended

German import duties on meats and live hogs have been continued for an indefinite period. They were to have expired with the end of 1932.

Soviet Oil for Canadian Cattle

Negotiations are understood to be proceeding between the Russian and Canadian governments for a deal involving the barter of Soviet oil for 100,000 Canadian breeding cattle and a large quantity of Canadian hides. The value of the cattle which the Soviet would take is set at $7,000,000.

Australian Wool Committee

The report of the Wool Inquiry Committee of the Commonwealth of Australia has been submitted to the government. It recommends the formation of a Wool Executive Department authorized to control exports, and to refuse permission to export unless the price is at least equal to present rates; the department also to try to secure a reduction in freight charges, federal land and state taxes, brokers' fees, and interest rates.

THE MARKETS

LIVE-STOCK MARKET IN JANUARY

BY JAMES E. POOLE

CHICAGO, ILL., February 1, 1933.

TUCKING RIBS AND LOINS OF GOOD HEAVY CATtle away in cold storage in January violates every scrap of precedent available; but that is what happened. There was no reliable market for the product, prompting speculation, on the theory that a 4- to 4½-cent trade in that class of bullocks weighing 1,400 to 1,600 pounds could not continue. Never before have feeders found themselves with such a large percentage of this type of bullocks on their hands during the mid-winter season, and possibly it may not happen again. Overconfidence, continued industrial depression, and cheap competitive foods were largely responsible for a series of demoralized markets since the turn of the year. A crop of big steers carried over from a good market last summer, plus a swarm of recently installed heavy bullocks, contributed to make a chapter of cattle-trade history that goes back forty years for parallels. In 1892 Allen Monroe bought a string of 1,500-pound steers, for Boston, on the Chicago market at $3.85 per cwt.; "Old Nelse" Morris predicting at the time that the price would never be duplicated. But similar cattle sold in January at $3.75. At the inception of February the Chicago market was still glutted daily with these "big brutes," selling as low as $3.25 and up to $4.50, the latter price requiring quality. The whole crop was handicapped with fat and weight, numerous loads weighing 1,600 to 1,700 pounds, with an odd consignment up to 1,850 pounds. Forty per cent of these cattle were fat enough for any trade last September and October, every pound of added weight meanwhile militating against the price.

Packer Feeding Experiment a Failure

An added element of demoralization has been injected by daily consignments of standard droves of western cattle fed in the Corn Belt and carried to weights ranging from 1,400 to 1,550 pounds. Conspicuous among these were the so-called "Armour-Cudahy cattle," which furnished newspapers with semi-sensational stories last summer when they went from southwestern pastures to Corn Belt feed-lots on contracts stipulating 8 cents per pound for the gain. Trooping to market with packer-fed steers came several strings that repeated daily, and, as they possessed distinct identity, concealment was impossible. The packer venture was a flop, as those who are footing the bill realize; but it was responsible for a peculiar psychological influence on other feeders, who, taking their cue from packer policy, also put in heavy feeders. The result was a hang-over that exerted a paralyzing influence. As is usually the case in such emergencies, competition was restricted to four buyers, and when all or any of them lacked orders the scaleward movement ceased. Big cattle had to be carried over from day to day—frequently into the ensuing week—without eliciting bids. A tardy demand for ribs and loins for freezing purposes at 10 cents per pound exerted scant influence, although such cuts cost 28 cents last September, when heavy steers selling for $4 to $4.50 at present were eligible to $9.50 to $10.

Light Cattle Selling Readily

In striking contrast to this distressed trade has been a sprightly demand for light steers, from 1,000 pounds down, regardless of quality or even condition. Common fleshy feeders selling at $4 to $4.50 actually cost considerably more in the beef than good heavy bullocks, fed a year or longer, and dressing up to 65 per cent. Choice yearlings always had a $6.50 to $7.25 market, while choice 1,400-pound bullocks had to be content with $5 to $5.50, a long string of mixed steer and heifer yearlings selling at $5.50 to $6.25. Anything fit to bleed, weighing less than 1,000 pounds, was cleaned up early in the session, or before buyers even glanced at the big end of the crop. Killers cheated the feed-lot of thousands of light steers by the simple process of raising the feeder's bid, yard traders putting their fleshy light cattle back into commission men's hands, to witness a scrimmage for possession similar to that indulged in by a flock of seagulls when a bucket of garbage is dumped from an ocean liner. Light individuals taken out of full loads of heavy steers outsold the latter by 50 cents per cwt., although of inferior quality. Even common southern "yellow-hammers," short-fed, realized more per pound than plain and rough heavy-fed steers in the $3.25 to $4 range. This is an oft-repeated occurrence, from which feeders ought to draw a lesson. Whenever they learn that the market can use only so many weighty bullocks, everybody will be better off.

Large Losses Incurred on Weighty Steers

Losses on this winter's crop of overdone steers will never be even approximated, running from $20 to $50 per head—the latter in extreme cases. Government financing proved to be a detriment to those who pinned their faith to weight. Money put into commercial cattle channels by government agencies supported stocker and feeder prices, incidentally putting a large number of steers into the hands of feeders who otherwise would have been idle; but the direct result was a burdensome addition to winter beef production that put the market on a weight basis, to the disadvantage of every ounce in excess of 1,200 pounds.

Fat Cows Likewise Slow Sellers

A similar condition existed in female cattle, the adverse influence of cheap heavy steers handicapping fat cows, which sold closer to canners and cutters than ever before. Hatracks and cutters were always ready sale at $1.75 to $2.25, while $2.40 to $2.70 took thousands of dairy cows freighted with beef. Selling fat cows became such a chore that salesmen refused to part with canners unless cows went along. A $2.50 to $2.75 bull market meant cheap sausage material. Heifers always got action, especially light-weights—good, bad, or indifferent. So greedy were killers for heifer product that stocker grades selling at $3.50 to $4 went to the shambles direct, fat yearlings selling at anywhere from $4 to $6, according to condition and quality. Demand for light meat was responsible for a boom market in calves, New York taking thousands in the 150- to 200-pound range at $6.50 to $7.50.

Heavy Beef Not Wanted

Such was the mid-winter cattle market—a continuous, insistent demand for something light and cheap. Weight was not wanted, although the cheapest article on the planks. That feeders made an overplay was obvious, a dead weight of excessive avoirdupois handicapping every phase of the trade. Responsibility may be directly traced to the boom market last fall, when weighty steers sold at $9 to $10—a market that would have been impossible but for latent enthusiasm and a deceptive "lead," on the theory that heavy beef would be scarce.

Cheap Hogs Demoralizing Factor

Hogs played an important part in demoralizing cattle trade all winter. Not that supply was excessive, but distribution lagged; and when pork loins dropped to 5½ cents per pound wholesale, every scrap of beef was adversely affected. Chain stores emphasized their demoralizing influence on meat distribution by making cheap pork a sales "leader," actually vending it at wholesale cost, and, as this was out of line with beef, the costlier meat suffered. Hotels, restaurants, and lunch counters "pushed" pork, until consumers were sated. At the low time in January average cost of packers' hog droves at Chicago dropped below $3, swinging between that figure and $3.25 most of the month. Killers continued their policy of putting as little meat into the freezer as possible, and, as interior packers flooded eastern markets with their fresh product, outlet channels were constantly congested. At intervals packers supported the market, obviously averse to letting drove cost go below $3, that policy being popularly attributed to agitation to include hogs in pending "allotment" legislation. Fortunately heavy butchers and packing sows were scarce, relieving distributive trade of excess weight. Cut-throat selling by processors was the burden of distributors' complaint, but this was the inevitable result of keeping product out of storage. Toward the end of January an impression developed that the winter crop had been closely garnered as to weight; otherwise big hogs would have been more plentiful. Stocks of meats and lard are ample, but not burdensome, so that a light hog run for a few weeks would put the commodity in stronger statistical position. If hog cost could be marked up to $4 to $4.50 per cwt., the whole price system would improve.

Prices Maintained on Lambs

Lamb trade was a notable exception to the rule, as prices were well maintained, and a large percentage of the crop of fed western lambs sold at $6 to $6.25. The month's high top was $6.65; low top, $5.90. Heavy lambs, 95 pounds up, sold within 25 cents per cwt. of the top early in the month, but an increasing proportion of that kind broke the market $1 per cwt. toward the close, when light lambs in mere feeder flesh were worth $5.50 to $5.75, and overweights had to be content with $5 to $5.25. This spread will feature lamb trade the rest of the winter, as western lambs have been bred up in size, feed is cheap, and the season has been favorable for making gains. Like heavy cattle, big lambs have a limited outlet, so that when a few too many are available the product can be moved only at the expense of price. Fat sheep have moved up 50 cents per cwt. under a light supply, a spread of $2.50 to $3 taking most of the ewes. This winter feeders have been practically out of the market, killers taking everything fit to bleed, common and medium lambs outselling good heavies. As a result, there will be little shearing done at feeding stations.

MARKET PROSPECTS

J. E. P.

NOT UNTIL THE WINTER CROP OF HEAVY STEERS has gone to the butcher can material improvement in cattle-market conditions be expected. Improvement means accelerated movement of product into distributive channels, rather than a higher level of prices. Once surplus weight is out of the way, the market will have an opportunity to get out of its present rut; but just as long as distributors are under the necessity of pushing heavy product, the whole market will be handicapped. The rightful position of prime heavy steers is at the top of the price list, and when they acquire that position the whole trade will improve.

The present crop of overdone steers was something that

was bound to happen. Admittedly, fitting it was an error, as an excessive percentage ran to plain and rough cattle selling from $4 down. In the economy of beef production there is no place for such meat, so that carrying plain-bred steers past the yearling stage is a tactical mistake. Every animal in the long, dreary procession of overweight steers selling in the $3.50 to $4.50 range this winter should have been beefed at the short- or long-yearling stage. Beef trade no longer needs the product of any considerable number of steers weighing in excess of 1,200 pounds, and the best interests of the trade could be promoted by eliminating the overweight animal entirely. Consumer demand for product cut from steers weighing in excess of 1,300 pounds is growing narrower constantly, finishing such cattle having degenerated into a mere gamble, with stiff odds against both grower and feeder.

Popular demand for "something cheap"—for shreds of red meat rather than steaks—is distinctly advantageous to low-grade light steers, regardless of ancestry, beef yields, or quality. This is making keen competition for feeders, restricting the movement of fleshy, or two-way, cattle to feedlots, and inevitably must result in a deficiency supply of heavy steers. The bulk of the replacement cattle acquired this winter are feather-weights, thin, and destined for summer grazing or feeding on grass. A crop of yearlings put into feedlots last fall is coming along under the stimulus of an open winter, with abundance of cheap, nutritious corn, and, as there is no incentive to put on weight, they will be cut loose at the earliest possible moment, especially in view of a gradually lowering set of prices and necessity for replenishing cash reserves. All over the cattle-feeding area local banks have been cracking recently, tying up money intended for cattle replacement, and, as these institutions will reopen on the "waiver" plan, if at all, the feeder's cash will be tied up indefinitely. Tax-collection time is nearing, and the stockyard is the only place where feeders can go to get a dollar, so that cattle must move. The crop of western calves that feeders acquired last fall will not be ready for the butcher until later in the season, although the heifer delegation will report earlier, at light weight. Feeders, having taken such severe punishment on tonnage recently, will go to the other extreme.

Stock cattle are high and scarce. This has attracted to the market thousands of light native steers—mostly red cattle that are attractive to feeders on account of price, although what may happen to them if sent back to the market in competition with western grassers next summer and fall is anybody's guess. That there will be few heavy cattle during the April-to-September period is a cinch bet, but the trade can get along without them.

Industrial conditions in the Mississippi Valley and on the Atlantic seaboard show scant signs of improvement. The railroad situation is little short of desperate, building of all kinds is at a standstill, the steel industry is prostrate, and light manufacturing is in a state of coma. Revival of industry, even on a moderate scale, would stimulate beef demand; but even that is doubtful. Bank policy is against loaning money to promote commercial or industrial ventures. Real estate is stagnant to a degree that practically deprives it of all value, temporarily at least; this, in turn, paralyzing the building industry. Construction of all kinds has been virtually suspended, with the exception of public works. Road-building must be contracted, as gas-tax money is being utilized to feed the indigent element of the population, and further bonding is impossible. All this must be reckoned with in estimating beef demand.

Already demand for stock cattle is in excess of current

supply, at prices out of line with what fat steers realize. Local money is scarce, but the regional agricultural corporation is still pumping oxygen into the circulatory system of the industry. As many of these cattle loans will not pay out, the propriety of continuing the process is doubtful. By reviving the western breeding interest, the corporation has done a good job, but in feeding circles there is growing resentment of government interference. Possibly depletion of these revolving funds will necessitate retirement, unless the back of the national financial structure is to crack.

There will be no cattle-feeding under contracts for payment of a specified amount for the gain hereafter, the packer venture into that sphere recently having demonstrated the fallacy of the plan. Contract-feeding is possible only when feeders take market, or selling, price for what they put on, and it is doubtful if many cattle-owners or speculators will follow that game, especially with stock cattle selling on a relatively high basis. The operation is prolonged, risky, and pregnant with disagreement, if not lawsuit. What the banking situation may be a few months hence cannot be predicted, but tying up a vast amount of feeders' capital in "waiver" banks is not calculated to promote liquidity. Cattle-feeding is self-liquidating, however, especially on a short-time basis. All the circulating medium is not tied up in closed banks; much of it is liquefied daily as cattle go to the market, and a large percentage is immediately reinvested. Money in cattle is decidedly safer than in the average bank.

Such cattle statistics as are available are susceptible of various interpretation. Slaughter under federal inspection in 1932 aggregated 7,625,373 head, compared with 8,107,842 in 1931, 8,170,373 in 1930, 8,324,067 in 1929, 8,467,308 in 1928, 9,520,104 in 1927, and 10,180,164 in 1926. Record slaughter occurred back in 1918, when the aggregate was 11,828,549. A decrease of 2,555,000, compared with 1926, is suggestive of diminishing beef production—a fortunate circumstance, as, had the bovine population of that period been maintained, cattle and hog prices would be on a parity. To maintain this volume, however, the whole country has been dragged for anything convertible into beef, so that, sooner or later, production must show further contraction. That many cattle are going to the shambles around the markets is indicated by a net decrease in receipts at nine major points in 1932, compared with 1931, of 1,341,918 head, the distribution of the decrease being as follows:

Markets	1932	1931	Decrease
Chicago	2,005,745	2,286,558	280,813
Kansas City	1,569,995	1,665,445	95,450
Omaha	1,333,108	1,570,054	236,946
East St. Louis	708,605	792,164	83,559
St. Joseph	360,309	432,579	72,270
Sioux City	545,243	768,923	223,680
St. Paul	689,930	811,361	121,431
Denver	365,318	439,562	74,244
Fort Worth	444,061	597,586	153,525
Totals	8,022,314	9,364,232	1,341,918

Hogs

There will be plenty of pork all summer, as volume of exports has been substantially contracted, and even the "poor man's meat" is finding restricted consumption. However, an advance of $1 per cwt. or more in hog prices is possible, and might be favored by packers as an aid to securing inventory profits. Much ado has been made concerning a visionary "allotment" plan designed to boost hog prices and curtail production at the same operation; but, ignoring possible results of legislation of that nature, nothing can be done with respect to reducing either spring or fall pig crops this year, and if the natural law by which low prices check production operates, smaller pig crops are inevitable.

Lambs

During February and March lamb-feeders west of the Missouri River—mainly Colorado and Nebraska—will have a practical monopoly of lamb supply. The territory east of Chicago has few on feed, and Iowa, Minnesota, and Wisconsin are carrying less than the season's complement. Winter replacement is at the lowest level in many years, packers taking every lamb that under normal conditions would be taken out to shear, so that, when the big run from Colorado and Nebraska is over, a supply gap may develop. A $5.75 to $6.25 market for the bulk of lambs puts that branch of the live-stock market on a decidedly higher plane than cattle or hogs, but the product is of a different character, finds a different market, and is not responsive to mutations in cost of other meat. Heavy lambs are in much the same position as big cattle, as the trade can absorb few, and whenever a surplus reaches the market, weight runs amuck. Periods will develop when handy-weight and heavy lambs will sell 75 cents to $1 apart. The present strength of the lamb market lies in the fact that eastern territory is bare, necessitating filling shipping orders at Chicago and other western points. On all breaks, shippers are active; on sharp advances, they retreat, but invariably return. The future of the lamb market—at least for the rest of the season—is reasonably safe.

COMPARATIVE LIVE-STOCK PRICES

BELOW ARE FIGURES SHOWING PRICES ON THE principal classes and grades of live stock at Chicago on February 1, 1933, compared with January 2, 1933, and February 1, 1932 (per 100 pounds):

	Feb. 1, 1933	Jan. 2, 1933	Feb. 1, 1932
SLAUGHTER STEERS:			
Choice (1,100 to 1,500 lbs.)	$ 5.00- 7.25	$ 5.75- 7.00	$ 9.75-10.50
Good	4.00- 6.50	4.50- 6.00	7.00- 9.75
Choice (900 to 1,100 lbs.)	6.50- 7.25	6.25- 7.00	9.75-10.50
Good	5.25- 6.50	5.00- 6.50	7.00- 9.75
Medium (800 lbs. up)	3.75- 5.25	3.75- 5.25	5.00- 7.00
FED YEARLING STEERS:			
Good to Choice	5.50- 7.25	5.25- 7.25	7.00-10.50
HEIFERS:			
Good to Choice	4.00- 6.25	4.50- 6.25	5.50- 7.50
COWS:			
Good to Choice	2.50- 3.25	3.00- 4.25	3.50- 4.75
CALVES:			
Good to Choice	4.00- 5.50	3.50- 4.50	4.50- 6.00
FEEDER AND STOCKER STEERS:			
Good to Choice	4.25- 5.50	4.00- 5.25	4.50- 6.00
Common to Medium	3.00- 4.25	2.75- 4.00	3.25- 4.50
HOGS:			
Medium Weights (200 to 250 lbs.)	3.40- 3.60	2.75- 3.00	3.90- 4.35
LAMBS:			
Medium to Choice (92 lbs. down)	5.50- 6.15	5.50- 6.00	4.75- 6.50
EWES:			
Medium to Choice	2.00- 3.00	2.25- 2.75	2.00- 3.50

LIVE STOCK AT STOCK-YARDS

APPENDED ARE TABLES SHOWING RECEIPTS, SHIPMENTS, and slaughter of live stock at sixty-one markets for the month of December, 1932, compared with December, 1931, and for the twelve months ending December, 1932 and 1931:

RECEIPTS

	December		Twelve Months Ending December	
	1932	1931	1932	1931
Cattle*	789,257	990,688	11,830,783	13,486,451
Calves	371,415	462,030	5,499,927	6,129,139
Hogs	3,120,969	4,209,660	35,026,358	39,537,801
Sheep	1,656,530	2,182,268	29,306,158	33,023,046

TOTAL SHIPMENTS†

	December		Twelve Months Ending December	
	1932	1931	1932	1931
Cattle*	363,027	459,550	5,114,388	6,170,112
Calves	131,140	147,721	1,733,102	1,955,805
Hogs	959,159	1,425,711	11,303,361	14,972,828
Sheep	749,294	919,252	14,213,807	16,995,864

STOCKER AND FEEDER SHIPMENTS

	December		Twelve Months Ending December	
	1932	1931	1932	1931
Cattle*	168,066	206,935	2,202,516	2,609,087
Calves	41,932	38,507	415,904	434,544
Hogs	19,593	40,032	320,538	533,478
Sheep	196,280	181,689	3,372,803	5,286,952

LOCAL SLAUGHTER

	December		Twelve Months Ending December	
	1932	1931	1932	1931
Cattle*	444,655	575,797	6,645,971	7,240,934
Calves	244,010	331,551	3,727,471	4,155,185
Hogs	2,167,100	2,806,077	23,693,205	24,539,025
Sheep	918,673	1,305,092	15,100,249	15,928,918

*Exclusive of calves. †Including stockers and feeders.

HOLDINGS OF FROZEN AND CURED MEATS

BELOW IS A SUMMARY OF STORAGE HOLDINGS of frozen and cured meats, lard, creamery butter, and eggs on January 1, 1933, as compared with January 1, 1932, and average holdings on that date for the past five years (in pounds):

Commodity	Jan. 1, 1933	Jan. 1, 1932	Five-Year Average
Frozen beef	29,290,000	37,812,000	60,542,000
Cured beef*	13,549,000	15,387,000	21,103,000
Lamb and mutton	2,839,000	2,318,000	4,469,000
Frozen pork	102,648,000	141,758,000	133,459,000
Dry salt pork*	69,190,000	87,188,000	101,100,000
Pickled pork*	322,299,000	334,360,000	345,230,000
Miscellaneous	42,713,000	65,579,000	76,765,000
Totals	582,528,000	684,402,000	742,668,000
Lard	40,481,000	51,224,000	64,966,000
Frozen poultry	111,638,000	116,700,000	117,902,000
Creamery butter	22,044,000	26,643,000	52,410,000
Eggs (case equivalent)	1,740,000	3,738,000	3,098,000

*Cured or in process of cure.

WHOLESALE MEAT PRICES

WHOLESALE PRICES ON WESTERN DRESSED meats at Chicago on February 1, 1933, compared with December 30, 1932, and February 1, 1932, were as below (per 100 pounds):

FRESH BEEF AND VEAL

	Feb. 1, 1933	Dec. 30, 1932	Feb. 1, 1932
STEERS (700 lbs. up):			
Choice	$ 8.00- 9.00	$ 9.00-10.00	$13.00-15.50
Good	7.00- 8.00	8.00- 9.00	10.00-13.00
STEERS (550 to 700 lbs.):			
Choice	8.00-10.50	10.00-11.00	14.00-17.00
Good	7.00- 9.00	8.00-10.00	10.00-14.00
YEARLING STEERS:			
Choice	10.00-12.00	10.50-12.50	14.00-17.00
Good	8.50-10.00	8.00-10.50	10.00-14.00
COWS:			
Good	6.00- 6.50	5.50- 6.50	8.00- 9.00
VEALERS:			
Choice	11.50-13.00	8.00- 9.00	12.00-13.00
Good	10.50-11.50	7.00- 8.00	10.50-12.00

FRESH LAMB AND MUTTON

LAMBS (45 lbs. down):			
Choice	$12.00-13.00	$11.00-12.50	$12.00-13.00
Good	11.50-12.50	10.50-11.50	11.00-12.50
EWES:			
Good	7.00- 8.00	4.00- 5.50	7.00- 9.00

FRESH PORK CUTS

LOINS:			
8-12 lb. average	$ 6.50- 7.50	$ 6.00- 7.00	$ 8.00-10.00

HIDES WORKING INTO STRONGER POSITION

J. E. P.

PACKERS HAVE NOT BEEN UNDER THE NEcessity of shading hide prices recently. At Chicago a spread of 4 to 5 cents per pound is taking the great bulk of the offering, both groups of packers having been able to market their take-off closely on that basis. Tanners come into the market at intervals, buying sparingly, but, as they are under the necessity of operating plants to keep overhead expenses down, they cannot dictate terms. Country hides are selling at 3 to 3¾ cents, and are in more urgent demand than recently.

New England tanners are operating cautiously and on part time, with several objects in view: they are averse to accumulating leather, desirous of giving their employees part time, and anxious to prevent sharp advances in hide prices. All this is calculated to make a sensitive market. There is a broad outlet for the cheaper grades of leather, expensive shoes, like fancy groceries, being taboo with consumers.

Prices of standard makes of shoes are being whittled down to meet popular price demand. The market is flooded with low-grade footwear of the dear-at-any-price type, but such competition forces standard makers to make concessions, although somewhat reluctantly. Lines of men's shoes costing $10 to $12 per pair not long ago are now down to $6 to $8. Shoes have a persistent fashion of wearing out, and, like clothing, cannot be repaired indefinitely. Some makers are putting out $3.50 to $4.50 lines of men's shoes—durable, if lacking refinement—that are acquiring popularity.

Favorable signs are: diminished take-off, low stocks on dealers' shelves, packers well sold up, and necessity for replacement. Old shoe stocks have been whittled down by drastic "basement" sales. Dealers are not maintaining normal stocks, as to either quality or sizes. Hides are working into stronger position.

BETTER TONE IN WOOLS

J. E. P.

A FIRM UNDERTONE HAS DEVELOPED IN WOOL, an advancing tendency being detected at intervals, although weavers are endeavoring to hold prices down until the new crop is available. Domestic wool is in a strong statistical position, the bulk of the holding being in few hands. Manufacturers are shopping around, picking up packages here and there to meet current requirements, as any attempt on their part to accumulate stocks would put prices up. Wool in the warehouse is considered as good as money in the bank, if not better, as banks have a confirmed "holiday" habit.

Foreign reports indicate a healthy situation, Germany having been a free buyer in Australia, taking a considerable volume of fine wools. At recent antipodean auctions, prices have been against buyers, New Zealand getting the best clearance in two years.

In the domestic market, certain descriptions, notably fine pulled wools, have shown strength. Fine greasy wools hold steady, owners refusing to take fractional declines. The available supply of medium wools is being steadily reduced. Fine territory wools have held steady.

Fine Texas wools, fall-shorn, are selling at 35 to 40 cents; fine New Mexicans are quotable at 45 to 47 cents.

In Arizona, wool has been contracted on the sheep's back at 15 cents, according to reports from that quarter. This means 40 cents clean, landed at Boston.

The manufacturing outlook is difficult to determine. A mild winter has not been favorable to clearing stocks of clothing. In men's clothing, especially overcoating, the situation is anything but satisfactory, as the winter is well along and consumers are using the old coat until threadbare. Low retail prices should stimulate clothing trade, and would but for lack of consumer buying power, plus a general disposition to defer buying new clothing.

Wool available until the new clip reaches eastern warehouses is not of sufficient volume to cause concern. Stocks of fabrics on the shelf and clothing in retailers' hands are limited, as distributors are determined to keep on a hand-to-mouth basis—a policy that would change overnight should wool prices work to even slightly higher levels.

In the fleece sections, old wool has been closely garnered, although a full warehouse here and there may be located. A Michigan man with a modest accumulation remarked recently: "I am holding my 1931 and 1932 purchases, because I do not need the money. I can take on every pound my section will yield this year, and prefer to hold wool to putting money in the vault. An advance of one or two cents would pay good interest, and warehousing at home costs me nothing." Gradually developing confidence is likely to hold farm wools, except in sections where bank "holidays" are numerous, necessitating replenishment of cash resources. Interior banks are loaning little or no money on wool, however, and are not likely to, as they are building up cash reserves.

Sized up from all angles, it is a logical assumption that wool will sell higher before lower levels are sought.

Prediction is made confidently that values of domestic wool will reach an importing parity during the next six months. This is based on a theory that imports must expand to supplement domestic production, automatically increasing the effectiveness of the tariff. The trend of prices when the new clip is ready to move will depend on growers' marketing policy. By crowding, growers can set prices back, as weavers will accumulate only when they can dictate terms.

Wool imports last year were the smallest on record, probably less than 20,000,000 pounds, and of practically all such types as are not grown in this country.

FEEDSTUFFS

ON FEBRUARY 3 THE PRICE OF COTTONSEED cake and meal was $10.75 a ton, f. o. b. Texas points. On February 1, at Kansas City, hay prices were: Alfalfa—No. 1 extra leafy, $12 to $12.50; No. 2 extra leafy, $11 to $11.50; No. 1, $9.50 to $10.50; No. 2 leafy, $8.50 to $9.50; No. 2, $7.50 to $8.50; No. 3 leafy, $6.50 to $7.50; No. 3, $5 to $6; sample, $4.50 to $5; prairie—No. 1, $7.50; No. 2, $5 to $7.50; No. 3, $4 to $5; timothy—No. 1, $7 to $7.50; No. 2, $5.50 to $7; No. 3, $5 to $5.50; timothy-clover, mixed—No. 1, $6.50 to $7.50; No. 2, $5.50 to $6; No. 3, $5 to $5.50.

Big Landholders in Spain Dispossessed

The new republican government of Spain is planning to expropriate the estates of the grandees and break them up either into small individual holdings, to be distributed among the peasants, or into big tracts, to be organized on a cooperative basis.

TRADE REVIEW

YEAR'S FOREIGN TRADE

LOSSES OF $812,000,000 AND $768,000,000, RESPECtively, in our exports and imports during 1932, as compared with the previous twelve months, are announced by the Department of Commerce in a preliminary report, reducing the volume of our foreign trade to the lowest level in twenty-seven years. The totals for December and the calendar years 1932 and 1931 follow:

	December		Twelve Months Ending December	
	1932	1931	1932	1931
Exports	$136,000,000	$184,000,000	$1,612,305,000	$2,424,288,000
Imports	97,000,000	153,000,000	1,322,745,000	2,090,634,000
Excess of exports	$ 39,000,000	$ 31,000,000	$ 289,560,000	$ 333,654,000

EXPORTS OF MEATS AND FATS

EXPORTS OF MEATS, MEAT PRODUCTS, AND animal and vegetable oils and fats from the United States for the month of December and the twelve months ending December, 1932 and 1931, were as below (in pounds):

MEATS AND MEAT PRODUCTS

Commodities	December		Twelve Months Ending December	
	1932	1931	1932	1931
Beef, fresh	196,009	164,050	1,633,464	2,082,801
Beef, pickled	601,169	832,177	9,868,428	13,022,391
Pork, fresh	1,062,719	1,005,368	8,133,092	9,614,222
Pork, pickled	1,168,445	1,131,467	15,258,569	15,769,477
Bacon	1,733,761	1,923,281	18,173,249	36,711,507
Cumberland and Wiltshire sides	44,077	120,927	783,654	1,716,631
Hams and shoulders	4,569,104	4,162,224	65,217,927	84,817,944
Total meats	15,348,204	....	191,013,280	....

OILS AND FATS

Commodities	December		Twelve Months Ending December	
	1932	1931	1932	1931
Oleo oil	3,091,799	....	42,409,410	....
Lard	49,900,208	65,597,526	546,183,691	568,708,208
Neutral lard	440,465	1,134,944	5,951,227	9,588,125
Lard compounds, animal fats	226,404	....	1,094,050	....
Margarine of animal or vegetable fats	25,339	....	477,747	....
Cottonseed oil, crude	5,588,907	....	44,854,534	....
Cottonseed oil, refined	645,308	....	10,912,851	....
Lard compounds, vegetable fats	205,630	....	2,399,766	....
Total animal oils and fats	54,954,425	....	613,236,659	....

Meat-Freezing Plants for Brazil

Plans for the building of meat-freezing plants at Porto Alegre and Pelotas, in southern Brazil, have been completed. The project is designed to increase the facilities for competing in the international chilled-meat trade.

NOTES FROM FOREIGN LANDS

New French Wheat Legislation

A $12,000,000 wheat fund and the creation of a national wheat office to support the market have been approved by the French Parliament.

Russia Modifies Grain System

Forcible collections of grain have been abolished by the Soviet government, and a definite tax in kind substituted, to be assessed in advance of sowing.

Commercial Treaty between Uruguay and Great Britain

The minister of Uruguay in London has been instructed by his government to conclude a complete trade agreement with Great Britain on the basis of reciprocity.

Side of Beef Will Last Indefinitely

In a speech delivered at Nottingham recently, Lord Melchett, according to the London *Meat Trades' Journal*, said "it was known that it was possible to take a side of beef, put it into a tank free from air and microbes, give it the right kind of mixture, and it would grow of its own accord. Indefinitely slices could be cut off it, and it would lose practically nothing."

Germany to Furnish Meat to Unemployed

The German government has appropriated the sum of approximately $2,500,000 to provide meat for the unemployed at cheap rates. Those authorized to take advantage of the plan are the unemployed who have passed from the dole to the class dependent upon semi-public charity. Not more than two pounds of fresh beef or pork may be had a month, at a reduction of about 5 cents from the quoted price.

Paris Opens Up-to-Date Meat Market

A germ-free butcher shop has been opened in Paris. The salesmen are installed in a huge glass chamber, the air of which is constantly renewed and filtered, and kept at a temperature of 45 degrees Fahrenheit. They wear rubber gloves, and are dressed in white from top to toe. They cut up, weigh, and pack the meat under the eyes of the customers, with whom they communicate by means of microphones and loud speakers.

THE BULLETIN BOARD

CATTLE AND SHEEP ON FEED

Cattle—An increase of approximately 5 per cent in the number of cattle on feed for market in the eleven Corn Belt states on January 1, 1933, over the same date a year ago, was estimated by the Bureau of Agricultural Economics. The percentage increase was about the same in the areas east and west of the Mississippi River. In the western states there was a decrease in cattle on feed of 7 per cent, principally due to a sharp decline in Colorado, which is usually the largest cattle-feeding state in the western group. The number being fed in eleven western states was 298,000, against 322,000 in 1932.

Sheep—There were estimated to be 5,239,000 sheep and lambs on feed in the principal feeding states on January 1, compared with 6,135,000 last year, or a decrease of 15 per cent. The number was smaller than a year ago in both the Corn Belt and the West. In fourteen western states the total in 1933 was 2,616,000, against 2,922,000 in 1932.

DECEMBER PIG CROP REPORT

Increases of about 4 per cent in the total fall pig crop of 1932 over that of 1931, and of 3½ per cent in the Corn Belt states, are shown by the December report of the Department of Agriculture. Because of the decrease in the spring pig crop, the total combined fall and spring pig crop of 1932 is estimated to be 3 per cent smaller than that of 1931 for the entire country, and 6 per cent smaller in the Corn Belt. The report also shows increases in the number of sows to farrow in the spring of 1933 over the number farrowing in the spring of 1932 of 1.8 per cent for the United States and 1.6 per cent for the Corn Belt.

PACKERS' ANNUAL STATEMENTS

Armour & Co.

Operations of Armour & Co. during the fiscal year ended October 29, 1932, resulted in a loss of $3,857,565, due to the steadily declining scale of prices, which reduced the value of most of the important items turned out by the company by at least 25 per cent, we read in the annual report to stockholders issued by President T. G. Lee. This loss was less than one-fourth of that of the previous year. By purchasing and retiring its own bonds in an amount which realized a profit of $5,520,104, the company changed this loss into a net gain for the year of $1,622,539. Dollar value of sales totaled approximately $468,000,000 — a decrease of $200,000,000 from 1931. The actual volume of packing-house products handled was, however, only slightly less. Preferred dividends of $4,188,581 were paid during the year. Surplus stood at $17,234,320, against $20,141,766 at the end of the previous year. Current assets amounted to $118,196,445, and current liabilities to $11,427,365, against $140,098,491 and $15,206,438, respectively, a year ago. Cash on hand was $36,485,920, compared with $33,208,706. Inventories were valued at $52,514,177, compared with $69,568,268 on October 29, 1931.

Swift & Co.

Continuing low prices on dressed meats caused a net loss of $5,337,789 on the operations of Swift & Co. for the twelve months ending October 29, 1932, according to the preliminary financial statement just issued. Surplus stood at $61,105,400. Current assets totaled $150,159,970. Inventories were valued at $56,746,680, compared with $75,464,776 at the close of the previous fiscal year. Sales aggregated $539,000,000—25 per per cent less than last year. While volume of meat products was maintained, economies in operation had not been sufficient to overcome the loss and provide necessary depreciation charges on fixed properties. Nevertheless, the company is described as being in "exceptional financial condition to take advantage of any favorable return in trade."

Cudahy Packing Company

A net income of $905,985, after payment of all charges and taxes, is reported by the Cudahy Packing Company for the fiscal year ended October 29, compared with profits of $2,009,991 for the previous twelve months—"by no means an unsatisfactory return on the year's operations." Sales totaled $133,313,687, against $181,482,142 in 1931. Tonnage handled, however, was within a fraction of 1 per cent of the 1931 volume. Current assets were $22,604,843. After depreciation, interest, and dividend charges, there was a surplus of $9,026,116. Dividends aggregated $2,097,888. A total of $71,203,955 was paid out for live stock.

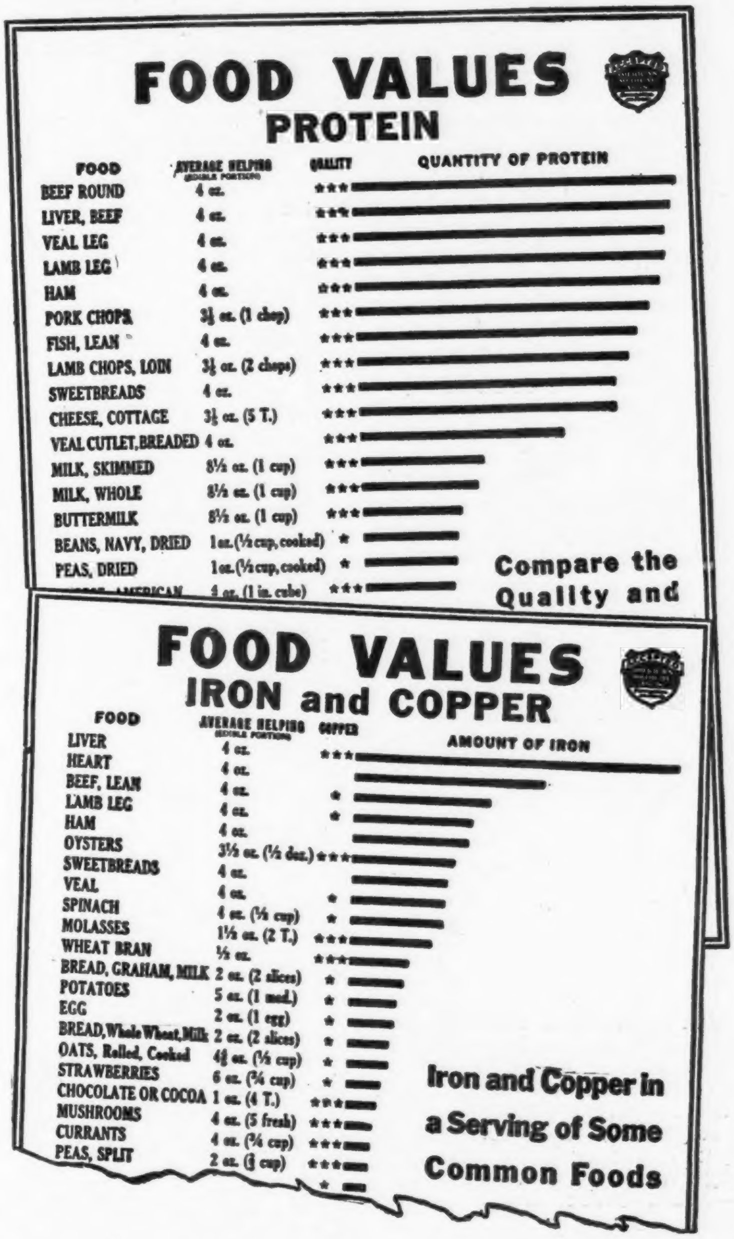
Wilson & Co.

Earnings more than twice those of the previous twelve months are reported by Wilson & Co. for the fiscal year ending October 29, 1932. Net profits were $51,336, compared with a deficit of $2,017,156 in 1931. Surplus at the end of the year totaled $17,679,697, of which $3,467,585 was acquired through purchase and retirement of the company's preferred stock. Last year the surplus stood at $14,160,777. Depreciation charges were $1,698,438. The number of live stock handled by the company was about the same as in normal years. "Our liquid position remains unusually strong," writes Mr. Wilson, "and in excellent shape for the time when, in the natural process of economic readjustment, prices will rise again both for our products and for live stock."

AMERICAN MEDICAL ASSOCIATION INDORSES NEW FOOD CHARTS

Shown on the next page are two of the new food-value charts published by the National Live Stock and Meat Board, and carrying the indorsement of the American Medical Association. The association seal is in evidence in the upper right-hand corner of the charts. The charts shown here present the food values of meat and other common foods

as regards protein, and iron and copper, based on average helpings. The four other charts of the set show food values in terms of phosphorus, vitamins, energy values, and calcium. The authoritative who are planning economy budgets. The leaflet lists low-cost meat cuts and weekly menus, contains a number of meat recipes, and gives up-to-date facts on the value of meat in the diet.



information thus made available shows very plainly the high place of meat as a food. More than 60,000 sets of the charts have already been supplied to colleges and high schools across the country.

"GOOD MEALS AT LOW COST"

A new addition to the literature of the National Live Stock and Meat Board is the leaflet, "Good Meals at Low Cost." This publication has been issued to supply the constant demands for literature coming from emergency-relief and welfare organizations, home-service directors, extension workers, and others

In the twelve days following its publication, requests were received for this leaflet at the rate of 16,000 per day.

TENDER vs. TOUGH BEEF

Influence of exercise on tenderness and color of beef, cause of "black-cutters," and lack of marbling in baby beef have been subjects of study in the Animal Husbandry Department at the University of Illinois. Results to date are reported briefly in "A Year's Progress in Solving Farm Problems of Illinois, 1930-31," we read in the *National Provisioner*, which goes on to say:

"In a study of the influence of exercise, steers were divided into two groups, one group being exercised and the other kept as quiet as possible throughout the feeding period. The exercised steers dressed slightly better than the steers which were not exercised, they made better carcasses, and there were no differences in the cutting percentages, physical composition of the wholesale cuts, or physical composition of the carcasses, which could be traced to exercise. Neither was there any difference in firmness of fat or lean.

"The color of the beef was not affected, except to a limited extent in the large muscle of the arm. This muscle was darker and redder in the exercised steers.

"There was no difference in palatability of the roasted ribs from each lot of steers which could be attributed to exercise, except in tenderness. Ribs of all the exercised steers were more tender than those of the unexercised.

"Tissue samples from the exercised steers contained less moisture than those from the unexercised group. Creatin is the most important extractive contributing to the flavor of meat, and it was found that exercise lowered the creatin content of the muscle.

"A possible cause of 'black-cutters' is the use of Fowler's solution, given especially to show cattle. It is believed that the use of this solution should be discouraged, the university points out. Packers have had much complaint in the past of black-cutting carcasses, particularly from certain classes of show cattle, for practically all of which a premium is paid."

ROUND THE RANGE

WYOMING STOCKMEN GET TAX REDUCTIONS

Substantial reductions in valuations of live stock for taxation purposes have been made by the Wyoming State Board of Equalization for 1933. Cattle valuations have been cut as follows: purebred bulls, eighteen months and over, from $90 to $60 a head; coming yearlings, from $40 to $35; yearlings, from $60 to $50; range bulls, from $50 to $45; two-year-old steers, from $30 to $25; dairy cows, from $60 to $50. Stud rams have been reduced from $40 to $25 a head; stud ewes, from $25 to $15; purebred coming yearlings, from $10 to $8; stock sheep, coming yearlings, from $3 to $2.50; yearlings and over, from $4 to $3.50; and ewes, five years old and over, from $1.25 to $1.

NOW WE HAVE A TAILLESS SHEEP

A breed of naturally tailless sheep has been developed at the Brookings Experiment Station in South Dakota by Professor J. W. Wilson, director, after several years' experimentation. Not only have the sheep no tail, so that the lambs will not have to be docked, but they possess the additional advantage of growing no wool on the face or legs. The wool is said to be of a higher grade than that of Hampshires, Shropshires, and Southdowns. Furthermore, it is claimed, the sheep are endowed with a vitality superior to that of some other breeds.

Results of the experiment were told during Farm and Home Week at the South Dakota College of Agriculture, Brookings, February 7-10.

ARIZONA BEEFSTEAK

An attractive booklet comes to our desk from Arizona, entitled "Why an Arizona Beefsteak?" It has been compiled by E. E. Gill and G. A. Kellond, and is published by the Tucson Chamber of Commerce, in co-operation with the Arizona Trade Developers, Inc., and the Pima County Immigration Commission. Following an outline of the history of the cattle industry in Arizona and Pima County, it presents a series of menus built around Arizona beef.

A unique feature of the booklet is its cover, which is made of genuine Arizona copper.

LIVE-STOCK AND RANGE CONDITIONS

Minnesota

There is plenty of feed in this part of the country, but prices are low and taxes high. The winter has been cold in spells, but there has hardly been any snow.—JOE CHRISTENSON, Glenville.

Montana

Cattle look good. There will be plenty of hay, unless the rest of the winter is terribly severe. High winds have kept the ridges bare of snow. Government aid has helped stock the ranges—probably the only way a great many could have stayed in the business. Ranchers are cutting down expenses in every way possible.—RESSA CLUTE, Wyola.

Nebraska

We are having warm weather and high winds. Cattle are wintering well. Our early calves are coming in good shape. Hay has dropped to $5 a ton.—ORA RANDALL, Mitchell.

Nevada

Conditions are bad—dry weather, no snow yet in the mountains. Cattle-feeding is good, with ample hay and dry feed. Prices are low, best steers selling for 4 cents, and good cows at 2½ cents. Not many cattle on feed. One more year of this, and stockmen in this section will all be "broke," or so badly twisted that they will never get back on their feet. Our banks are all closed. That shows what happens when the farmer and stockman sell for less than cost of production.—I. A. STROSNIDER, Yerington.

New Mexico

We have had some extremely cold weather and plenty of snow. However, cattle look fine, considering everything.—TALLEY B. COOK, Monticello.

Oregon

Times are poor in southern Oregon. Fat steers are selling for 3½ cents a pound, fat Hereford heifers at 3 cents, and stock cows at $12 a head. It is hard to sell 1,200-pound steers that are fat.—FRANK CAMERON, Jacksonville.

South Dakota

We are having a great winter here in western South Dakota. Cattle are in fine shape, and water is plentiful.—RAY M. IVES, New Underwood.

Texas

Physical conditions here are the best in years. Cattle and sheep are wintering well. Recent general rains and warm weather have been very beneficial to winter grass and weeds. No feeding is being done. There is good demand for feeder lambs at 3½ cents a pound, and they are nearly all gone. Steer calves are bringing 5 cents, with very little demand for heifer calves. The Regional Agricultural Credit Corporation has taken care of over $1,000,000 worth of loans to date in this section. Very few foreclosures in this country. Prices on live stock are the lowest ever.—J. R. CHANNING, Vancourt.

Canada

There is no reason at all, in my opinion, for the low price of beef on the hoof in British Columbia. A carload of good beef was bought in Calgary in December for $1.95 and shipped to Vancouver. What is to become of the producer at these prices? British Columbia and Alberta are full of feeders this winter. A mild winter here so far. Some septicemia among calves in the district, but only a small loss.—R. C. COTTON, Riske Creek, British Columbia.

Didn't Need to Learn.—"Gracious, boy, how you do stutter! Did you ever go to a stammering school?"

"N-n-n-no, sir. I d-d-do this n-n-naturally."—Punch (London).

Shyness Mutual.—A certain firm had the following legend printed on its salary receipt forms:

"Your salary is your personal business, and should not be disclosed to anyone."

The new employee, in signing the receipt, added:

"I won't mention it to anybody. I'm just as much ashamed of it as you are."—Irish Independent.

Company, Attention!—A society woman wrote an army officer:

"Mrs. John Sears DeVille requests the pleasure of Captain Smith's company at a reception on August 16."

The next day she received this note of acceptance:

"With the exception of fourteen men, who, I regret to say, have a week each in the guardhouse, Captain Smith's company accepts with pleasure Mrs. DeVille's invitation for August 16."—Exchange.

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